

Hon. Mary F. Walrath

United States Bankruptcy Court

District of Delaware

824 Market Street, 5<sup>th</sup> Floor

Wilmington, De. 19801

Case Number 08-12229 (MFW) (Jointly Administered) *Washington Mutual et al. (WMI) &*

Dear Judge Walrath,

My name is William Duke, I am a shareholder of WMI.

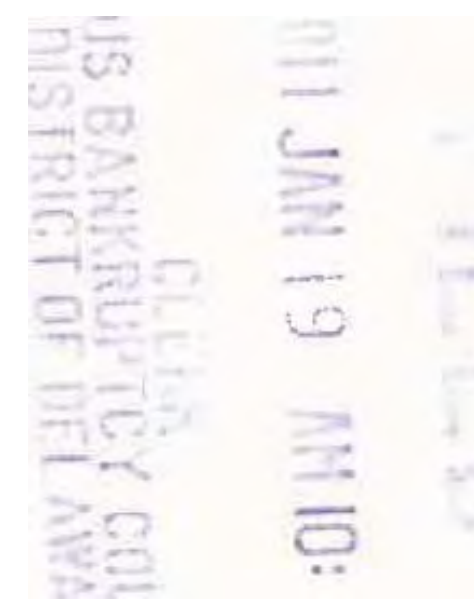
Your Honor, I am an interested observer in this bankruptcy. Through a process of self education I have come to recognize many of the difficulties inherent in a case of this intricacy. I appreciate the Court's even handed approach in weighing the matters presented to the Court.

Your Honor, in an opinion revealed on 01/07/2011, indicated that a Plan of Reorganization for WMI submitted to the Court by the Debtors in this action met the minimum bar for reasonableness. After careful reading of your opinion I note that you did not indicate that a maximum bound of reasonableness had been exceeded nor that the maximum and minimum standard to be applied are one and the same. Your ruling of the same date is that the Plan of Reorganization, as written, cannot be confirmed. The failure of the Plan and the possible intervention of other parties beside the Debtors opens a door to exploration of 'Reasonableness'. It is from this narrow platform of exploration that I seek to address the Court on a troublesome issue.

This has been a long and tortuous case exhibiting much of the to and fro I assume is inherent in large bankruptcy proceedings. However the heart of this case has been lost to contesting and confusion. In short Your Honor, what are the assets being divided and what are they worth?

This Bankruptcy has been clouded by haste and inaccuracy since Washington Mutual Bank(WMB) and its subsidiaries were placed into FDIC receivership by the OTS and subsequently purchased by JPMorgan Chase(JPMC). I am putting aside the lack of transparency which one would expect from an august federally affiliated financial watchdog and excusing, by virtue of haste in response to exigent circumstances, the deletion of an essential normal business practice by the FDIC and JPMC; the practice common to all open business transactions of determining, at or close to the time of transaction, what was tendered and what was received. Accepting the concern and fear extant at that time, You Honor, and not revisiting the transfer of Washington Mutual Bank I present examples from your own courtroom to illustrate some of the misperceptions which have pervaded this case and continue to muddle it to this day.

On 09/07/2010 in response to an attempt by TPS attorney, Mr. Stoll ( Brown and Rudnick), to discover the extent and location of certain mortgages which collateralized TPS investment the counsel for JPMC, Mr. Glueckstein (Sullivan Cromwell), stated that a search had been undertaken and no information regarding that particular collateral could be found but the search



would continue.(see attachment A trial transcript 09/07/10)

On 01/07/2011, Your Honor issued a ruling that the Trust Preferred Securities had been exchanged for preferred stock of WMI and that the collateral, removed from WMI, became the property of Washington Mutual Bank and thereafter the property of JPMC.

Considering the billions of dollars involved would it not be prudent for one party to be able to account for what it has lost and the other party to account for what it has gained? WMI asserts that it has been rendered blind to the holistic scope and particular parts of this transaction and many others due to the wholesale loss of paperwork and records( see attachment B page 390 lines 23-25,page 391 lines 1-25, note "went with the transaction") to JPMC at the time of the rapid transfer of Washington Mutual Bank and its subsidiaries from WMI, holding company, to JPMC Holding Company. JPMC, had the documents related to TPS request been found, surely would have made them available to TPS counsel. One must assume the search continues.

Mightn't a prudent and conservative person be appalled that the disarray born in the chaos of a potential financial meltdown remains in place more than two years later? Might the same person not also be wary that such a shambles would be rife for misappropriation and other inadvertent errors if not outright subterfuge and exploitation?

On 01/07/2011, in regard to WMI BOLI/COLI, Your Honor opined, rightly so given the information at your disposal, that the settlement plan submitted by the Debtors is reasonable in dividing the life insurance policies along parent and subsidiary lines. However testimony and attorney comment in your court during the Plan confirmation hearings indicates that disagreement as to the composition and location of the BOIL/COLI assets exist between Debtors and their counsel. Mr. Kosturos, in testimony, stated that the BOLI/COLI assets had been transferred to JPMC but withdrew his assertion that JPMC had liquidated them. Mr. Rosen in reply to a question from Your Honor whether the BOLI/COLI had been transferred stated that they had not. This apparent impasse beg for closer scrutiny.

(see attachment B page 382 lines 14-25, 383 lines 2-9 for Mr. Kosturos testimony; see attachment C page 278 of attachment lines 14-17 for Mr. Rosen )

While the WMI unaudited unattested monthly operating reports(MOR) tendered to the Court by the Debtors are inadequate for an appropriate appraisal of WMI's continuing fiscal condition the Consolidated Financial Statements for Bank Holding Companies -FR Y-9C required by the Board of Governors of the Federal Reserve System and the FDIC forms RI-E filed by JPMG Holding Company are less opaque.(see attachments D and E). These public records indicate that a large portion of the bank owned life insurance fund, a matter of dispute before this court, was in fact transferred to JPMC in 2008. Included in the exhibits in addition to the required financial documents is a bar graph from a print media article (attachment F) which reports on increased banking interest in BOLI/COLI in general. A caption in the graph, from information provided by Federal Financial Institution Examinations Council, clearly reads that the large increase in BOLI/COLI assets for JPMC in 2008 is due to the Washington Mutual Bank acquisition. One assumes, as a JPMC spokesperson is quoted in the article, JPMC cleared this article prior to publication. The graph itself may be hearsay but it supports conclusions which can be drawn from the legal filings.

The JPMC FR Y-9C's ,pages 2 lines 6b respectively, indicate that JPMC had zero (0) *Earnings on/increase in value of cash surrender value of life insurance* in the years 2007 and 2008. After an *increase in the life insurance asset* of 4.637 billion dollars in 2008, the years 2009 and 2010(through 09/30) show *Earnings on/increase in value of cash surrender value* of 808 million dollars for 2009 and 540 million dollars for the first three quarters of 2010. A total of 1.348 billion dollars.(see attachment D). The RI-E quarterly forms(see attachment E) for the same period indicate the *earnings/interest* to have increased by a total of 1.47 billion dollars. Despite the differences in totals it is apparent that substantial amounts of money were generated in an area which had reported no growth prior to 09/30/2008.The sudden increase in JPMC's life insurance asset and consequent rise in Earning/interest where zero(0) had previously existed may be innocuous but shouldn't any doubt which could occur in regard to questionable timing of transfer of billions of dollars be resolved?

BOLI/COLI are often used as tax sheltering devices (1/a). Given the WMI parent/subsidiary tax agreement(see attachment G) should not the interest earnings for the years the BOLI/COLI resided with JPMC accrue to WMI, the parent company, if in fact, the BOLI/COLI has been precipitously or erroneously transferred to JPMC pending approval by the Court of a resolution of ownership?( attachment B page 640 lines 15-18 for Mr. Goulding) Is the ambiguous treatment of the BOLI/COLI not an example of the thread of disorder woven into this case which has yet to be addressed?

*(l)Public Law 109-208(August 17,2006) Section 863. (a) (j) "(2) Exceptions*

*la) "Overall, BOLI is a quite sophisticated and complex product that allows banks and other companies to receive tax-free (1) the inside build-up on the life insurance policy and (2) the death benefit when the insured employee dies." (North Carolina Banking Institute, March 2007 by Joel W. Mann)*

Your Honor, in her opinion of 01/07/2011, noted that there is not enough information available to you to resolve a controversy of subordination and proper standing of WAMU 2001 Trust units. Is it not incumbent upon the framers of a settlement to make critical issues and events as clear as possible so the Court may make an informed decision?

Your Honor also referred in Her opinion of 01/07/2011 to suits with a possible total of 54 billion dollars which might be brought by FDIC and JPMC against the WMI estate. Your Honor provided supporting documentation for your opinions throughout, but did not footnote or refer to any support that such suits might be justified. Your Honor noted that this figure of a potential 54 billion dollars was brought to you by the Debtors.

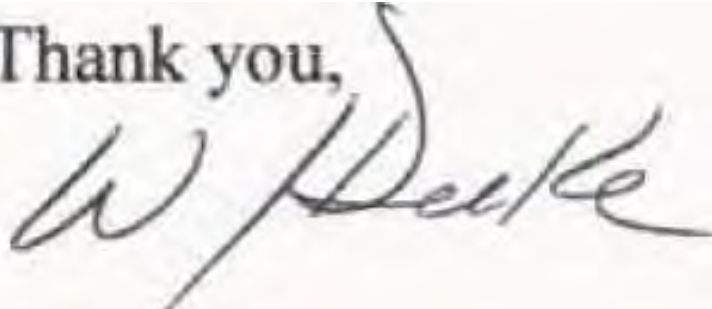
I provide a quote from the 12/07/2010 trial transcript(see attachment H pages 276,277):

There was a comment, Your Honor – it was perhaps in a  
20 demonstrative – by Mr. Nelson about the 5.5 billion dollar  
21 NOL. And Your Honor, we don't believe that at this point in  
22 time that NOL exists, but there was a statement or an inference  
23 that Mr. Nelson wanted the Court to draw that that was fully  
24 available and would be fully used and would be fully drawn  
25 down. Well, of course – and of course as a corresponding

1 aspect to that there was a statement about the value of reorg  
2 WMI.  
3 Of course, Your Honor, the equity committee put nobody  
4 on the stand to challenge the valuation that was performed by  
5 the Blackstone group and represented by Mr. Zelin on the stand.  
6 And of course they have retained Peter J. Solomon and they  
7 could have certainly put someone on to do that. But the usage  
8 of any NOL, Your Honor, has been testified to, has been  
9 included in the declarations, and somebody out there I know  
10 wrote a report about it at one point in time that said that it  
11 was actually speculative, (page 277)

We are all aware that despite Mr. Rosen's belief, at that point in time, a substantial NOL does exist. Isn't using the facts available and extrapolating the course and conclusion of various actions based on history and precedent preferable to citing, "somebody out there"? Speculation may exist regarding whether the future use of the NOL could be maximized. Speculation also exists whether suits by FDIC and JPMC of the magnitude suggested by the Debtors would be justified. In the most recent 10Q filing by JPMC which contains a large synopsis of extant and pending litigation there is no referral to a suit or combination of suits in connection with WMI (see attachment I) that would closely approximate an award of half the size of \$54,000,000,000. JPMC's future plans are hidden as are those of the FDIC but potential suits with awards totaling 54 billion dollars are, at this time, speculative. With all due respect, considering the complexity of the circumstances surrounding the initial seizure of Washington Mutual Bank and its transfer through intermediary hands to JPMC, and considering the perplexity which continues to dog this case is it not possible that the purported 54 billion dollar suits, which seem to overshadow all of Debtors decisions, might go the way of the, once upon a time, Internal Revenue claims and the evaporating MARTA suit? Would it not be in the best interests of all concerned to replace speculation with a more deliberative process based upon fact?

Your Honor, the above are but a few examples of the confusion which might be dispelled if a proper valuation of the stakes in this case was unveiled to all parties. In the spirit of clarification, with an eye to forestalling further contention and subsequent litigation or extended negotiations I request that Your Honor appoint a forensic accounting firm not involved in these proceedings directly or tangentially (noting that Debtors choice of firm to provide valuation has yet to submit audited or auditable results), which is acceptable to all parties and Your Honor. Please assign a disinterested third party to assist in unveiling the elephant in the room, perhaps help JPMC and the FDIC to complete the Proforma article requirement of the Purchase and Assumption agreement, and aid all in determining a basis for equitable settlement.

Thank you,  


William Duke, Shareholder.

15 January 2011

## Attachment A

Trial Transcript from audio 09/07/2010

Stoll: Your honor I guess if I have the floor perhaps we can move to item #29 which is the continued motion to compel JP Morgan documents and again ... we have received some META DATA information so we are pushing thru... there are 3 categories of documents however your honor that we thought we had an agreement on to be produced and I think some of this was highlighted for you last time but documents we are told now either have not...or do not exist we have been told we can't...we are having a hard time believing...or are not being produced because of a ...what I will characterize as an unilateral determination by JP Morgan as to the extent of their discovery obligations the 3 documents are as follows your honor one doc category concerns with the collateral pool that underlines the securities as your honor knows it approximately originally 13 Billion dollars of mortgages were pledged and transferred to WMPS that backed the securities and were sold to the market we've asked for information with respect to the distribution report that are typically created with these types of collateral pools where each month the interest and principle as received on these mortgages is collected, mortgages that are in default are identified as being in default 30, 60, 90, 120 days whatever, mortgages that go into foreclosure, mortgages that are put in OREO, mortgages that are put into bankruptcy all of that information is typically collected the servicer of the mortgages which were at the time these things were issued was WMD are then collected into a report and given to the trustee who in turn provides that report to the holders in connection with the distribution of any cash that maybe distributed... when the...after we issued our request we had a couple of meet and confers with counsel for JP Morgan and they agreed that they would produce the reporting information that they had created since September of 2008 when they believe they acquired the title to the TPS, they certainly acquired physical collateral and they...at the time they may not be in the same form they were when WMD was issuing it but we will provide you with whatever reporting we have...and now we are told that there are no reports, which quite frankly your honor I can't believe is true... these mortgages are now serviced by JP Morgan so there definitely has to be a serviceable report they have to track their receipt of interest and principle payments for thousands upon thousands of mortgages... they have to track what they do with that money, they have to track whether these mortgages are in foreclosure, how there performing, etc they have to do that, certainly there're servicing reports, what form they now decided to digest those reports going forward I can't quite tell you but there has to be information and it is not simply believable that there is no information and this relates of course directly to the value of the collateral pool that is...that backs the Trust Preferred security so that's category one, category two we asked for information with respect to any separate bids that were made pursuant to Section 3.2 of the [corpse 49.26] and assumption agreement for any stock assets of... WMB that were acquired from the FDIC by JP Morgan in September of 2008 ...initially we were told that those documents...they did not know of any such documents existed but they would look and that was back in June here we are in September we don't have any indication as to whether any documents exist whether they looked for we haven't been told one way or the other and so if no documents exist we are entitled to know that if they do exist we're entitled to have those documents produced as far as we can tell from searching the data base they have not been produced.

Stoll: The third category of documents your honor is documents relating to the valuation

of the Trust Preferred securities at the time of the acquisition in September of 2008 and this is the area where...I'll call it a philosophical difference if will your honor JP Morgan has said that they will give us documents in their words "sufficient to show" how those assets were treated and when I hear the words sufficient to show I don't know what that means but to me it sounds like a self limitation... the obligation to produce, that JP Morgan has...unilaterally decided what is appropriate, we asked for any and all documents relating to the way that the Trust Preferred securities were valued in the acquisition, and I think that's what we are entitled to, what we received is two one page...MI call them balance sheets if you will that include a certain bit of financial information but I have no idea...I can't understand the information, I can depose someone perhaps but I certainly can't believe that's all the information there is and again specifically because JP Morgan has said they're giving us what they believe is sufficient to show, that tells me that there are indeed other documents that relate to that information and we should be entitled to receive those documents to the extent that they exist and that is what we are here for on JP Morgan your honor.

Glueckstein: Just like to start by...I will respond to Mr. Stoll points... we have as you know the last couple hearings passed out a number of issues regarding production to TPS plaintiffs JP Morgan has complied with the courts orders has produced all the documents obtained in the debtors depository in a more standard litigation format with MET A DATA as the court asked we do... we have received some follow up questions from the TPS plaintiffs to which we responded, pointed them to particular document in the production that they asked about...and yet we heard that they had some...this is the first we are hearing specifically about these three enumerated points today... with respect to these reports with respect to the TPS collateral pool as they are now being described...I think its... from our perspective first of all...if you take a step back and you look at what the TPS plaintiffs complaint alleged... it alleged that the exchange event that took place in September of 2008 for one reason or another didn't happen or wasn't completed it's not clear to us why a number of these documents that TPS plaintiffs have requested are relevant at all to their claim that being said during our meet and confer sessions over the past weeks and months at this point we did agree to go look for reports we were asked for reports similar to ones that had been created by Washington Mutual preposition... for the period at the time of the acquisition and shortly thereafter... we diligently searched for those reports we reported back to the TPS plaintiffs that JP Morgan could not located any such reports, we understood in subsequent discussions with them... the nature of some of the information they were looking for, we conveyed to them in correspondence over the last week or so that we were having discussions with different people at our client in an attempt to locate particular information on general ledger or otherwise available data that might satisfy some of their requests, understanding that specific reports and types of information they were looking for did not exist, those efforts are ongoing we reported to them they were ongoing and that those efforts continue, with respect to any separate bids pursuant to the provision of the purchase and assumption agreement we actually did convey a response to the question last week that we located no such document at this point after a search of our records, with respect to the valuation of the TPS securities at the time of the transaction of 2008 we have represented and agreed that we would produce documents that show that...purchase and accounting and how this was booked

and true up to the financial statement that were filed by JP Morgan Chase at the time, the documents Mr. Stoll refers to were produced [??55:11] depository and there have been some additional documents produced to the examiner in response to similar requests that will be made available promptly to the TPS plaintiffs and other objectors as we had outlined originally that we would do... so it seems clearly at this point from where we started it certainly seems that the issues are now substantially from our perspective it seems from what we heard today... were still hearing about these one off document requests we had said from day one that JP Morgan would respond to all requests it received from the TPS plaintiff...we have conferred with them in good faith we have sought to locate all documents we have produced substantial documents to which they now have in direct response to all their requests and with respect to these and any other one off requests they have we'll continue to look for documents to the extent that they exist and if there is information even if the document don't exist and we can reasonably locate and provide it to them were doing so...that's what we have been at this point and those efforts continue...so with respect to any particular document if we haven't been able to locate it...unfortunately we not able to produce it, but our efforts are ongoing in that regard, thank you.

Stoll: Your honor specifically the first category of documents we didn't simply ask for reports that were identical or similar to the reports issued by the servicer to the trustee and the trustee to the holders when WMB was servicing the mortgage but we asked for a [?? 56:51 ] servicing report its been over three months when we server these document requests...its been June 25 when the meet and confer when we agreed we thought that these documents would be searched for and produced it's now 2 and Vi months later and again there is always this issue where we have this hard date that were working toward.

Judge: They say there are no such reports.

Stoll: No they have not said that your honor.

Judge: Well I just heard it, are there any such reports?

Stoll: There has to be servicing reports

Glueckstein: The reports we set out that we were asked about{???57:24} we have not located any such reports and as 1 said we have continued to search for at this point {??? 57:32} data or other financial information that JP Morgan has that will satisfy these requests

Stoll: Their the servicer of the mortgage your honor it's impossible

Judge: If you can show that there are such reports and they haven't produced them there's a remedy for it but you can't require them to produce something that doesn't exist.

Stoll: Fair enough your honor.



## Attachment B

Trial Transcript: TransPerfect Legal Solutions 12/02/2010

Pages/lines 382/14-2,383/2-9  
390/23-25, 391/1-25  
640/15-18

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In Re:  
WASHINGTON MUTUAL, INC., Chapter 11  
Et al.,  
Case No. 08-12229(MFW)  
Debtors.  
Jointly Administered) j

BLACK HORSE CAPITAL LP,  
et al.,  
Plaintiffs,  
vs.

Adv. Proc. No. 10-5138(MFW)

JP MORGAN CHASE BANK, N.A.,  
et al.,

Ref. Nos. 105, 106, 108,  
109, 110, 118, 139, 149  
Defendants. )

924 N. Market Street, Courtroom 5

Wilmington, DE

UNOFFICIAL TRANSCRIPT PROCEEDING

Thursday, December 2, 2010

BEFORE: Hon. Mary F. Walrath

Reported by:

SHAUNA STOLTZ-LAURIE, RPR, CLR

CSR NO. 810490

JOB NO. 4688

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: right;">Page 382</p> <p>1<br/>2 think my answers, again, have been -- I<br/>3 haven't stated whether we think we're going<br/>4 to win or lose things. I have not revealed<br/>5 privilege. I have merely stated what the<br/>6 facts are to my knowledge that are<br/>7 nonprivileged.<br/>8 Q. All of these on this board are<br/>9 disputed assets, correct?<br/>10 A. I disagree.<br/>11 Q. You have not asserted any<br/>12 litigation, every single one of these assets<br/>13 as being owned by the estate?<br/>14 A. At some point we did. But let's<br/>15 take BOLI/COLI, for instance. The BOLI/COLI<br/>16 \$5 billion we went through a line-by-line<br/>17 analysis of that, and it is -- it has been<br/>18 determined, at least for WMI, that we don't<br/>19 own the \$5 billion. We potentially had some<br/>20 claims there but JPM has, to my knowledge,<br/>21 probably liquidated those already. So, you<br/>22 know, we -- we have potential claims there.<br/>23 Q. I'm sorry. Those have already been<br/>24 transferred and have been liquidated by<br/>25 JPMorgan?</p>                                                         | <p style="text-align: right;">Page 384</p> <p>1<br/>2 There was some certain legal input<br/>3 on that but there was a lot of review and<br/>4 analysis completed by the A&amp;M team and the<br/>5 WMI team.<br/>6 Q. That was an analysis conducted by<br/>7 counsel?<br/>8 MR. MASTANDO: Objection, your<br/>9 Honor.<br/>10 Q. In part by counsel you just said?<br/>11 A. Counsel had some input into that,<br/>12 yes.<br/>13 MR. NELSON: Your Honor, we move to<br/>14 strike that prior answer as either<br/>15 revealing attorney-client privileged<br/>16 information and going beyond the scope<br/>17 or opening the door for a reliance on<br/>18 counsel, given the fact that he just<br/>19 testified that his analysis was in part<br/>20 due to counsel and that --<br/>21 JUDGE WALRATH: He didn't tell<br/>22 you --<br/>23 Well, was your statement regarding<br/>24 the BOLI/COLI based on any advice of<br/>25 counsel?</p> |
| <p style="text-align: right;">Page 383</p> <p>1<br/>2 A. They were never under our control.<br/>3 Q. You disputed these assets and<br/>4 JPMorgan has liquidated them; is that right?<br/>5 A. I don't know. I'm sorry, I may<br/>6 have misspoken. I don't know what JPMorgan<br/>7 has done with those. But those assets are<br/>8 not owned by WMI. Those assets were on the<br/>9 balance sheet of WMB.<br/>10 Q. The analysis that was conducted on<br/>11 BOLI/COLI that you just referenced and said<br/>12 that you do not have ownership on, that was<br/>13 an analysis conducted by counsel, was it not?<br/>14 A. I think there was a fair amount of<br/>15 work that was done by the WMI employees as<br/>16 well.<br/>17 Q. Yes or no, sir. The analysis that<br/>18 the estate conducted with respect to<br/>19 BOLI/COLI that you just testified don't<br/>20 belong to the estate and belong to JPMorgan,<br/>21 that analysis was conducted by your counsel?<br/>22 A. Our counsel participated in that<br/>23 analysis, yes. But it was also largely done<br/>24 with some of our WMI employees, our WMI<br/>25 experts and A&amp;M experts, so it was --</p> | <p style="text-align: right;">Page 385</p> <p>1<br/>2 THE WITNESS: There would have to<br/>3 be some input from counsel.<br/>4 JUDGE WALRATH: Well, then I am<br/>5 going to strike the testimony regarding<br/>6 the BOLI/COLI.<br/>7 MR. MASTANDO: Your Honor, I would<br/>8 ask that the questions be stricken as<br/>9 well because counsel is asking him, I<br/>10 think, things --<br/>11 JUDGE WALRATH: I'm not going to<br/>12 strike the questions.<br/>13 Q. Let me try again, sir.<br/>14 Every single one of these assets<br/>15 (indicating) is a disputed asset that the<br/>16 estate has disputed as between JPMorgan and<br/>17 the estate, correct?<br/>18 MR. MASTANDO: Objection, your<br/>19 Honor. I believe this has been asked<br/>20 and answered.<br/>21 JUDGE WALRATH: Yeah, I think it<br/>22 has been.<br/>23 MR. NELSON: Okay. Fair enough,<br/>24 your Honor.<br/>25 Q. I want to go back to the first time</p>    |

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1  
2 just reading the e-mail with you at this  
3 point.  
4 Q. Well, you respond and you state  
5 it's about time the seniors figured this out.  
6 Is that your position in March 2009?  
7 A. I don't know what else to tell you.  
8 It's hard to see what the context of this  
9 e-mail was without knowledge of the greater  
10 discussions that were going on.  
11 Q. Did you want a clean settlement in  
12 March of 2009?  
13 A. I would have loved a settlement in  
14 March 2009, but we -- we subsequently put a  
15 term sheet together and proposed it to JPM  
16 that was unfortunately rejected.  
17 Q. You say it's about time that the  
18 seniors figured this out. How long had you  
19 thought that the best resolution of the  
20 estate was a global settlement with JPMorgan?  
21 A. I don't know.  
22 Q. Was it before March of 2009?  
23 A. To put this time frame in context,  
24 your Honor, when we -- when the bank was  
25 seized by the --

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1  
2 When the FDIC became the receiver  
3 and sold the bank, WMI had one employee and  
4 he was an interim employee and he was soon to  
5 leave. The bank and the employees and the  
6 financial records went with the transaction.  
7 So WMI had really -- we had to rebuild WMI,  
8 we had to rebuild the financial statements.  
9 And a lot of the things that came  
10 over the course of these two years were  
11 developed as we went because we didn't have  
12 the historical amount of people to go, like  
13 most companies would, and say, "Where are we?  
14 What is our financial position? What is  
15 our -- what are our rights to our assets?"  
16 That was developed over time, because we had  
17 no employees to talk to about that.  
18 Now, we subsequently went out and  
19 hired -- I think we had maybe 20 or 21  
20 employees at the peak of WMI that we had to  
21 hire from people that used to work there or  
22 some outside people, but from the very  
23 beginning this was a very difficult process  
24 to try to understand what rights, what  
25 financial assets, what liabilities we had.

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1  
2 So it's hard to put this all in context.  
3 So at this point in time, you know,  
4 as we're continuing to develop financial  
5 information, did we think a global settlement  
6 was the right thing to do at JPM and the  
7 FDIC? Absolutely. It was the only way that  
8 we were going to cleanly take care of this  
9 estate. There was claims, there was  
10 counterclaims. There was very few things in  
11 this entire estate, as Mr. Nelson has put up  
12 earlier. I think there's \$900 million that  
13 was undisputed. Everything else is a fact.  
14 Q. Respectfully, sir, I'm going to  
15 move to strike as nonresponsive.  
16 MR. MASTANDO: Object, your Honor.  
17 JUDGE WALRATH: Overruled.  
18 Q. My question was did you think  
19 before March of 2009 that it was about time  
20 that the seniors figured out the e-mail that  
21 we just saw on the prior page.  
22 A. I -- I think that it stands on its  
23 own. I can't -- that was the e-mail I wrote.  
24 I can't put it in context for you any more  
25 than what you're showing me.

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1  
2 Q. How long, how much prior before  
3 March of 2009 did you think that the correct  
4 resolution of the estate was a settlement?  
5 A. I don't know.  
6 Q. Was it the day you were hired?  
7 A. I think the day I was hired, as I  
8 explained earlier, I would think we were more  
9 worried about just trying to sort out what  
10 WMI had. We had one employee. The FDIC was  
11 there. A lot of people. JPM was starting to  
12 take over the banking assets and there was  
13 one employee and one conference room.  
14 Q. So it was not the day you were  
15 hired.  
16 A. I can -- I can assure you it was  
17 not the day I was hired.  
18 Q. Was it a month after you were  
19 hired?  
20 A. I wouldn't be able to put it in  
21 context for you.  
22 Q. In other words, after maybe the  
23 first couple of weeks when you were getting  
24 your feet on the ground, so to speak, you  
25 can't put in any more precise context when

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Page 639                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Page 641                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>1<br/>2 These are some of the potential<br/>3 values of the some of the assets that are<br/>4 being transferred, correct?<br/>5 MR. MASTANDO: Objection to the<br/>6 form and the foundation of the exhibit<br/>7 as we discussed yesterday.<br/>8 JUDGE WALRATH: Overruled.<br/>9 A. Can you repeat the question.<br/>10 Q. These are the values of some of the<br/>11 assets that are being transferred and/or<br/>12 released under the proposed settlement,<br/>13 correct?<br/>14 A. Well, these are values -- I don't<br/>15 know, there are certain of these values that<br/>16 would probably be misleading, but I'm sure<br/>17 there are certain values or other values that<br/>18 would be on this page. I don't think this as<br/>19 fair representation of a comparison.<br/>20 Q. Well, we'll get to that in a<br/>21 second.<br/>22 You would agree, and we'll get to<br/>23 this later, for now that WMRIC and a<br/>24 reorganized WMI has a \$5 billion NOL,<br/>25 correct?</p>           | <p>1<br/>2 Q. Yes.<br/>3 A. Well, no. I mean I think the<br/>4 initial work that was done on the asset<br/>5 allocation with respect to BOLI/COLI, when we<br/>6 got there we didn't have a lot of books and<br/>7 records but we worked with folks to gain<br/>8 access to books and records. We worked with<br/>9 the team who oversaw the BOLI/COLI program<br/>10 within the treasury department of Washington<br/>11 Mutual. We received documentation from them<br/>12 that would support the books and records.<br/>13 There was approximately 90 million<br/>14 of value on the books and records of WMI and<br/>15 about 5 billion on the books of WMB. We<br/>16 reviewed those. We also -- we added all the<br/>17 documents, submitted them to counsel. They<br/>18 did an analysis as well, but we can certainly<br/>19 look at the information, the support for what<br/>20 was on the books and records.<br/>21 Q. I think you just said this in your<br/>22 answer. You relied in part on counsel's<br/>23 advice to determine the ownership of assets<br/>24 of BOLI/COLI.<br/>25 And by BOLI/COLI, the rabbi trust,</p> |
| Page 640                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Page 642                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>1<br/>2 A. It could have a \$5 billion NOL.<br/>3 Q. And by NOL you mean a tax shelter<br/>4 of \$5 billion for future profits, correct?<br/>5 A. Net operating loss carried forward,<br/>6 sure.<br/>7 Q. And in your deposition you call<br/>8 that a tax shelter for \$5 billion, correct?<br/>9 A. I don't know if I used those exact<br/>10 words but if that's what's in the deposition,<br/>11 I don't remember every word in my deposition.<br/>12 Q. Okay. Well, we can check if you<br/>13 want.<br/>14 A. No. That's a fair statement.<br/>15 Q. Okay. BOLI/COLI, the assets that<br/>16 are going to either JPMorgan or to WMI are<br/>17 approximately \$5 billion, correct?<br/>18 A. That's correct.<br/>19 Q. The analysis that was performed to<br/>20 determine what was owned by JPMorgan and what<br/>21 was owned by WMI was done on reliance of<br/>22 counsel, correct?<br/>23 MR. MASTANDO: Object to the form.<br/>24 A. Are you talking about with respect<br/>25 to BOLI/COLI?</p> | <p>1<br/>2 you understand it's part of the same type of<br/>3 analysis here; it's all grouped together?<br/>4 MR. MASTANDO: Objection to the<br/>5 form.<br/>6 JUDGE WALRATH: Sustained.<br/>7 Rephrase.<br/>8 Q. By BOLI/COLI -- well, let me<br/>9 rephrase again.<br/>10 Are rabbi trusts part of BOLI/COLI<br/>11 assets?<br/>12 A. Some of the BOLI/COLI are held<br/>13 within rabbi trusts. There are additional --<br/>14 other securities that have been held within<br/>15 the rabbi trust.<br/>16 Q. Okay. So they're sort of --<br/>17 they're intermingled, the BOLI/COLI and the<br/>18 rabbi trust?<br/>19 A. A little bit, yes.<br/>20 Q. Okay. With respect to the assets<br/>21 of determining ownership, valuation and value<br/>22 of BOLI/COLI and the rabbi trusts, you relied<br/>23 in part on counsel, correct?<br/>24 A. Well, for the purposes of value<br/>25 you'd be looking at the cash surrender value</p>                                                                                                                                                                                                |

8 (Pages 639 to 642)

## Attachment

B

Trial Transcript: VERITEXT REPORTING COMPANY 12/07/2010

Pages/lines 278/14-17

UNITED STATES BANKRUPTCY COURT

DISTRICT OF DELAWARE

x

In the Matter of:

WASHINGTON MUTUAL, INC., ET AL.,

Case No.

Debtors.

08-12229 (MFW)

-----x

8 BLACK HORSE CAPITAL LP, ET AL., Plaintiffs, ADV. Proceeding  
- against - No. 10-51387 (MFW)

10 JPMORGAN CHASE BANK, N.A., ET AL., Defendants

11 -----x

12 BROADBILL INVESTMENT CORP., Plaintiff, ADV. Proceeding  
13 - against - No. 10-50911 (MFW)

14 WASHINGTON MUTUAL, INC., Defendant

15 -----x

16 U.S. Bankruptcy Court  
17 824 North Market Street  
18 Wilmington, Delaware

19

20 December 7, 2010

21 9:38 AM

22 B E F O R E :

23 HON. MARY F. WALRATH

24 U.S. BANKRUPTCY JUDGE

25 ECR OPERATOR: BRANDON MCCARTHY

VERITEXT REPORTING COMPANY

1 18 claim. There is a lawsuit pending with respect to that with  
2 respect to some people. They have not filed -- I believe Mr.  
3 Jarvis in April said that they were subject to the MDL. But of  
4 course they are not part of that, Your Honor; they are merely  
5 here because they filed a claim against the estate. We will  
6 take care of that, Your Honor, when we get together next week.

7 But one last point, Your Honor, and I apologize if I  
8 say the name wrong, Ms. Slatko, the references to the five  
9 billion dollars and the BOLI/COLI, Your Honor, that is not  
10 anything that is consistent with the record of this case and I  
11 would just ask the Court to consider that as her argument and  
12 not certainly the facts as we heard the testimony. I believe  
13 that Mr.

14 THE COURT: Has the BOLI/COLI insurance been  
15 transferred?

16 MR. ROSEN: No, Your Honor.

17 THE COURT: Okay.

18 MR. HODARA: Your Honor, Fred Hodara, Akin, Gump,  
19 Strauss, Hauer & Feld for the official committee of unsecured  
20 creditors.

21 I'll respond to two points that were made by Mr.  
22 Steinberg with respect to post-petition interest and keep my  
23 comments to that. First, Mr. Steinberg made the point that the  
24 exception in 726(a), the proviso referencing 510, refers to all  
25 of 510 and not just 510(b). And accordingly, Mr. Steinberg



r

Attachment

B

Board of Federal Reserve Governors Forms, FR Y 9-C



RSSD ID: 1039502

## Consolidated Financial Statements for Bank Holding Companies—FR Y-9C

### Report at the close of business as of the last calendar day of the quarter

This Report is required by law: Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844) and Section 225.5(b) of Regulation Y (12 CFR 225.5(b)).

This report form is to be filed by bank holding companies with total consolidated assets of \$500 million or more. In addition, bank holding companies meeting certain criteria must file this report (FR Y-9C) regardless of size. See page 1 of the general instructions for further

information. However, when such bank holding companies own or control, or are owned or controlled by, other bank holding companies, only the top-tier holding company must file this report for the consolidated holding company organization. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: Each bank holding company's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Consolidated Financial Statements for Bank Holding Companies. The Consolidated Financial Statements for Bank Holding Companies are to be prepared in accordance with instructions provided by the Federal Reserve System. The Consolidated Financial Statements for Bank Holding Companies must be signed and attested by the Chief Financial Officer (CFO) of the reporting bank holding company (or by the individual performing this equivalent function).

I, the undersigned CFO (or equivalent) of the named bank holding company, attest that the Consolidated Financial Statements for Bank Holding Companies (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Date of Report:

**December 31, 2007**

Month / Date / Year (BHCK 9999)

Printed Name of Chief Financial Officer (or Equivalent) (BHCK C490)

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

JPMORGAN CHASE & CO.

Legal Title of Bank Holding Company (TEXT 9010)

270 PARK AVENUE

(Mailing Address of the Bank Holding Company) Street / P.O. Box (TEXT 9110)

NEW YORK

NY

10017

City (TEXT 9130)

State (TEXT 9200)

Zip Code (TEXT 9220)

Bank holding companies must maintain in their files a manually signed and attested printout of the data submitted.

Person to whom questions about this report should be directed:

*For Federal Reserve Bank Use Only*

RSSD ID \_\_\_\_\_

C.I. \_\_\_\_\_

S.F. \_\_\_\_\_

Name / Title (TEXT 8901)

Area Code / Phone Number (TEXT 8902)

FAX Number (TEXT 9116)

E-mail Address of Contact (TEXT 4086)

RSSD ID:  
1039502

Schedule HI—Continued

|       |                                                                                                                                                  | Dollar Amounts in Thousands |  | BHCK |  |          |         |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--|------|--|----------|---------|
| 6. a. | Realized gains (losses) on held-to-maturity securities .....                                                                                     | 3521                        |  |      |  | 0        | 6.a.    |
| b.    | Realized gains (losses) on available-for-sale securities .....                                                                                   | 3196                        |  |      |  | 164000   | 6.b.    |
| 7.    | Noninterest expense:                                                                                                                             |                             |  |      |  |          |         |
| a.    | Salaries and employee benefits .....                                                                                                             | 4135                        |  |      |  | 23094000 | 7.a.    |
| b.    | Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest) .....              | 4217                        |  |      |  | 6387000  | 7.b.    |
| c.    | (1) Goodwill impairment losses .....                                                                                                             | C216                        |  |      |  | 0        | 7.c.(1) |
|       | (2) Amortization expense and impairment losses for other intangible assets .....                                                                 | C232                        |  |      |  | 1394000  | 7.c.(2) |
| d.    | Other noninterest expense <sup>4</sup> .....                                                                                                     | 4092                        |  |      |  | 11335000 | 7.d.    |
| e.    | Total noninterest expense (sum of items 7.a through 7.d) .....                                                                                   | 4093                        |  |      |  | 42210000 | 7.e.    |
| 8.    | Income (loss) before income taxes and extraordinary items, and other adjustments (sum of items 3, 5.m, 6.a, and 6.b minus items 4 and 7.e) ..... | 4301                        |  |      |  | 23029000 | 8.      |
| 9.    | Applicable income taxes (foreign and domestic) .....                                                                                             | 4302                        |  |      |  | 7440000  | 9.      |
| 10.   | Minority interest .....                                                                                                                          | 4484                        |  |      |  | 224000   | 10.     |
| 11.   | Income (loss) before extraordinary items and other adjustments (item 8 minus items 9 and 10) .....                                               | 4300                        |  |      |  | 15365000 | 11.     |
| 12.   | Extraordinary items, net of applicable taxes and minority interest <sup>5</sup> .....                                                            | 4320                        |  |      |  | 0        | 12.     |
| 13.   | Net income (loss) (sum of items 11 and 12) .....                                                                                                 | 4340                        |  |      |  | 15365000 | 13.     |

4. See Schedule HI, memoranda item 7.  
5. Describe on Schedule HI, memoranda item 8.

MEMORANDA

|    |                                                                                                                                                  | BHCK |  |  |  |          |        |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------|------|--|--|--|----------|--------|
| 1. | Net interest income (item 3 above) on a fully taxable equivalent basis .....                                                                     | 4519 |  |  |  | 26931000 | M.1.   |
| 2. | Net income before income taxes, extraordinary items, and other adjustments (Item 8 above) on a fully taxable equivalent basis .....              | 4592 |  |  |  | 23406000 | M.2.   |
| 3. | Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule HI, items 1.a and 1.b, above) ..... | 4313 |  |  |  | 151000   | M.3.   |
| 4. | Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule HI, item 1.d.(3), above) .....     | 4507 |  |  |  | 18000    | M.4.   |
| 5. | Number of full-time equivalent employees at end of current period (round to nearest whole number) .....                                          | BHCK |  |  |  | Number   |        |
|    |                                                                                                                                                  | 4150 |  |  |  | 173581   | M.5.   |
| 6. | Other noninterest income (from Schedule HI, item 5.l, above) (only report amounts that exceed 1% of the sum of Schedule HI, items 1.h and 5.m):  | BHCK |  |  |  |          |        |
| a. | Income and fees from the printing and sale of checks .....                                                                                       | C013 |  |  |  | 0        | M.6.a. |
| b. | Earnings on/increase in value of cash surrender value of life insurance .....                                                                    | C014 |  |  |  | 0        | M.6.b. |
| c. | Income and fees from automated teller machines (ATMs) .....                                                                                      | C016 |  |  |  | 0        | M.6.c. |
| d. | Rent and other income from other real estate owned .....                                                                                         | 4042 |  |  |  | 0        | M.6.d. |
| e. | Safe deposit box rent .....                                                                                                                      | C015 |  |  |  | 0        | M.6.e. |
| f. | TEXT CREDIT CARD INTERCHANGE INCOME, NET<br>8562 .....                                                                                           | 8562 |  |  |  | 2077000  | M.6.f. |
| g. | TEXT<br>8563 .....                                                                                                                               | 8563 |  |  |  | 0        | M.6.g. |
| h. | TEXT<br>8564 .....                                                                                                                               | 8564 |  |  |  | 0        | M.6.h. |
| i. | Net change in the fair values of financial instruments accounted for under a fair value option .....                                             | F229 |  |  |  | 0        | M.6.i. |

RSSD ID:  
1039502

**Schedule HC-F—Other Assets**

|                                                                                           | Dollar Amounts in Thousands |  |          | BHCK |  |  |      |
|-------------------------------------------------------------------------------------------|-----------------------------|--|----------|------|--|--|------|
| 1. Accrued interest receivable <sup>1</sup> .....                                         | B556                        |  | 8432000  |      |  |  | 1.   |
| 2. Net deferred tax assets <sup>2</sup> .....                                             | 2148                        |  | 0        |      |  |  | 2.   |
| 3. Interest-only strips receivable (not in the form of a security) <sup>3</sup> on:       |                             |  |          |      |  |  |      |
| a. Mortgage loans .....                                                                   | A519                        |  | 0        |      |  |  | 3.a. |
| b. Other financial assets.....                                                            | A520                        |  | 658000   |      |  |  | 3.b. |
| 4. Equity securities that DO NOT have readily determinable fair values <sup>4</sup> ..... | 1752                        |  | 2646000  |      |  |  | 4.   |
| 5. Life insurance assets .....                                                            | C009                        |  | 13681000 |      |  |  | 5.   |
| 6. Other .....                                                                            | 2168                        |  | 64390000 |      |  |  | 6.   |
|                                                                                           | bhct                        |  |          |      |  |  |      |
| 7. Total (sum of items 1 through 6) (must equal Schedule HC, item 11).....                | 2160                        |  | 89807000 |      |  |  | 7.   |

1. Include accrued interest receivable on loans, leases, debt securities and other interest-bearing assets.
2. See discussion of deferred income taxes in Glossary entry on "income taxes."
3. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule HC, item 2.b, or as trading assets in Schedule HC, item 5, as appropriate.
4. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

**Schedule HC-G—Other Liabilities**

|                                                                             | Dollar Amounts in Thousands |  |          | BHCK |  |  |    |
|-----------------------------------------------------------------------------|-----------------------------|--|----------|------|--|--|----|
| 1. Not applicable                                                           |                             |  |          |      |  |  |    |
| 2. Net deferred tax liabilities <sup>1</sup> .....                          | 3049                        |  | 0        |      |  |  | 2. |
| 3. Allowance for credit losses on off-balance sheet credit exposures.....   | B557                        |  | 850000   |      |  |  | 3. |
| 4. Other .....                                                              | B984                        |  | 92706000 |      |  |  | 4. |
|                                                                             | bhct                        |  |          |      |  |  |    |
| 5. Total (sum of items 2 through 4) (must equal Schedule HC, item 20) ..... | 2750                        |  | 93556000 |      |  |  | 5. |

1. See discussion of deferred income taxes in Glossary entry on "income taxes."

**Schedule HC-H—Interest Sensitivity<sup>1</sup>**

|                                                                                                                                                                        | Dollar Amounts in Thousands |  |           | BHCK |  |  |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--|-----------|------|--|--|----|
| 1. Earning assets that are repriceable within one year or mature within one year .....                                                                                 | 3197                        |  | 625332000 |      |  |  | 1. |
| 2. Interest-bearing deposit liabilities that reprice within one year or mature within one year included in item 13.a(2) and 13.b(2) on Schedule HC, Balance Sheet..... | 3296                        |  | 391014000 |      |  |  | 2. |
| 3. Long-term debt that reprices within one year included in items 16 and 19.a on Schedule HC, Balance Sheet .....                                                      | 3298                        |  | 105338000 |      |  |  | 3. |
| 4. Variable rate preferred stock (includes both limited-life and perpetual preferred stock) .....                                                                      | 3408                        |  | 0         |      |  |  | 4. |
| 5. Long-term debt reported in Schedule HC, item 19.a on the Balance Sheet that is scheduled to mature within one year .....                                            | 3409                        |  | 1734000   |      |  |  | 5. |

1. Bank holding companies with foreign offices have the option of excluding the smallest of such non-U.S. offices from coverage in this schedule. Such bank holding companies may omit the smallest of their offices in foreign countries when arrayed by total assets provided that the assets of the excluded offices do not exceed 50 percent of the total assets of the bank holding company's assets in foreign countries and 10 percent of the bank holding company's total consolidated assets as of the report date.



RSSD ID: 1039502

## Consolidated Financial Statements for Bank Holding Companies—FR Y-9C

### Report at the close of business as of the last calendar day of the quarter

This Report is required by law: Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844) and Section 225.5(b) of Regulation Y (12 CFR 225.5(b)).

This report form is to be filed by bank holding companies with total consolidated assets of \$500 million or more. In addition, bank holding companies meeting certain criteria must file this report (FR Y-9C) regardless of size. See page 1 of the general instructions for further

information. However, when such bank holding companies own or control, or are owned or controlled by, other bank holding companies, only the top-tier holding company must file this report for the consolidated holding company organization. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: Each bank holding company's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Consolidated Financial Statements for Bank Holding Companies. The Consolidated Financial Statements for Bank Holding Companies are to be prepared in accordance with instructions provided by the Federal Reserve System. The Consolidated Financial Statements for Bank Holding Companies must be signed and attested by the Chief Financial Officer (CFO) of the reporting bank holding company (or by the individual performing this equivalent function).

I, the undersigned CFO (or equivalent) of the named bank holding company, attest that the Consolidated Financial Statements for Bank Holding Companies (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Date of Report:

**December 31, 2008**

Month / Date / Year (BHCK 9999)

Printed Name of Chief Financial Officer (or Equivalent) (BHCK C490)

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

JPMORGAN CHASE & CO.

Legal Title of Bank Holding Company (TEXT 9010)

270 PARK AVENUE

(Mailing Address of the Bank Holding Company) Street / P.O. Box (TEXT 9110)

NEW YORK NY 10017

City (TEXT 9130) State (TEXT 9200) Zip Code (TEXT 9220)

Bank holding companies must maintain in their files a manually signed and attested printout of the data submitted.

Person to whom questions about this report should be directed:

*For Federal Reserve Bank Use Only*

RSSD ID \_\_\_\_\_

C.I. \_\_\_\_\_ S.F. \_\_\_\_\_

Name / Title (BHTX 8901)

Area Code / Phone Number (BHTX 8902)

FAX Number (BHTX 9116)

E-mail Address of Contact (BHTX 4086)

**Schedule HI—Continued**

|          |                                                                                                                                               | Dollar Amounts in Thousands |  | BHCK |  |          |          |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--|------|--|----------|----------|
| 6. a.    | Realized gains (losses) on held-to-maturity securities                                                                                        | 3521                        |  |      |  | 0        | 6. a.    |
| 6. b.    | Realized gains (losses) on available-for-sale securities                                                                                      | 3196                        |  |      |  | 1560000  | 6. b.    |
| 7.       | Noninterest expense:                                                                                                                          |                             |  |      |  |          |          |
| 7. a.    | Salaries and employee benefits                                                                                                                | 4135                        |  |      |  | 22746000 | 7. a.    |
| 7. b.    | Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)                 | 4217                        |  |      |  | 7353000  | 7. b.    |
| 7. c.(1) | (1) Goodwill impairment losses                                                                                                                | C216                        |  |      |  | 0        | 7. c.(1) |
| 7. c.(2) | (2) Amortization expense and impairment losses for other intangible assets                                                                    | C232                        |  |      |  | 1263000  | 7. c.(2) |
| 7. d.    | Other noninterest expense <sup>4</sup>                                                                                                        | 4092                        |  |      |  | 11726000 | 7. d.    |
| 7. e.    | Total noninterest expense (sum of items 7. a through 7. d)                                                                                    | 4093                        |  |      |  | 43088000 | 7. e.    |
| 8.       | Income (loss) before income taxes and extraordinary items, and other adjustments (sum of items 3, 5.m, 6. a, and 6. b minus items 4 and 7. e) | 4301                        |  |      |  | 2927000  | 8.       |
| 9.       | Applicable income taxes (foreign and domestic)                                                                                                | 4302                        |  |      |  | -926000  | 9.       |
| 10.      | Minority interest                                                                                                                             | 4484                        |  |      |  | 154000   | 10.      |
| 11.      | Income (loss) before extraordinary items and other adjustments (item 8 minus items 9 and 10)                                                  | 4300                        |  |      |  | 3699000  | 11.      |
| 12.      | Extraordinary items, net of applicable taxes and minority interest <sup>5</sup>                                                               | 4320                        |  |      |  | 1906000  | 12.      |
| 13.      | Net income (loss) (sum of items 11 and 12)                                                                                                    | 4340                        |  |      |  | 5605000  | 13.      |

4. See Schedule HI, memoranda item 7.  
5. Describe on Schedule HI, memoranda item 8.

**MEMORANDA**

|       |                                                                                                                                                   | Dollar Amounts in Thousands |  | BHCK |  |          |        |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--|------|--|----------|--------|
| 1.    | Net interest income (item 3 above) on a fully taxable equivalent basis                                                                            | 4519                        |  |      |  | 39518000 | M.1.   |
| 2.    | Net income before income taxes, extraordinary items, and other adjustments (Item 8 above) on a fully taxable equivalent basis                     | 4592                        |  |      |  | 3506000  | M.2.   |
| 3.    | Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule HI, items 1.a and 1.b, above)        | 4313                        |  |      |  | 217000   | M.3.   |
| 4.    | Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule HI, item 1.d.(3), above)            | 4507                        |  |      |  | 50000    | M.4.   |
| 5.    | Number of full-time equivalent employees at end of current period (round to nearest whole number)                                                 | BHCK                        |  |      |  | Number   |        |
|       |                                                                                                                                                   | 4150                        |  |      |  | 217965   | M.5.   |
| 6.    | Other noninterest income (from Schedule HI, item 5.l, above) (only report amounts greater than \$25,000 that exceed 3% of Schedule HI, item 5.l): | BHCK                        |  |      |  |          |        |
| 6. a. | Income and fees from the printing and sale of checks                                                                                              | C013                        |  |      |  | 0        | M.6.a. |
| 6. b. | Earnings on/increase in value of cash surrender value of life insurance                                                                           | C014                        |  |      |  | 0        | M.6.b. |
| 6. c. | Income and fees from automated teller machines (ATMs)                                                                                             | C016                        |  |      |  | 0        | M.6.c. |
| 6. d. | Rent and other income from other real estate owned                                                                                                | 4042                        |  |      |  | 0        | M.6.d. |
| 6. e. | Safe deposit box rent                                                                                                                             | C015                        |  |      |  | 0        | M.6.e. |
| 6. f. | Net change in the fair values of financial instruments accounted for under a fair value option                                                    | F229                        |  |      |  | 0        | M.6.f. |
| 6. g. | Bank card and credit card interchange fees                                                                                                        | F555                        |  |      |  | 2005000  | M.6.g. |
| 6. h. | TEXT PROCEEDS FROM SALE OF VISA SHARES IN IPO                                                                                                     | 8562                        |  |      |  | 1500000  | M.6.h. |
| 6. i. | TEXT AUTO OPERATING AND FINANCING LEASES                                                                                                          | 8563                        |  |      |  | 518000   | M.6.i. |
| 6. j. | TEXT LOAN COMMITMENT FEES                                                                                                                         | 8564                        |  |      |  | 429000   | M.6.j. |

**Schedule HC-F—Other Assets**

|                                                                                           | Dollar Amounts in Thousands |           | BHCK |  |  |      |
|-------------------------------------------------------------------------------------------|-----------------------------|-----------|------|--|--|------|
| 1. Accrued interest receivable <sup>1</sup> .....                                         | B556                        | 8482000   |      |  |  | 1.   |
| 2. Net deferred tax assets <sup>2</sup> .....                                             | 2148                        | 12827000  |      |  |  | 2.   |
| 3. Interest-only strips receivable (not in the form of a security) <sup>3</sup> on:       |                             |           |      |  |  |      |
| a. Mortgage loans.....                                                                    | A519                        | 158000    |      |  |  | 3.a. |
| b. Other financial assets.....                                                            | A520                        | 507000    |      |  |  | 3.b. |
| 4. Equity securities that DO NOT have readily determinable fair values <sup>4</sup> ..... | 1752                        | 7058000   |      |  |  | 4.   |
| 5. Life insurance assets.....                                                             | C009                        | 18048000  |      |  |  | 5.   |
| 6. Other.....                                                                             | 2168                        | 86465000  |      |  |  | 6.   |
|                                                                                           | bhct                        |           |      |  |  |      |
| 7. Total (sum of items 1 through 6) (must equal Schedule HC, item 11).....                | 2160                        | 133545000 |      |  |  | 7.   |

- 1. Include accrued interest receivable on loans, leases, debt securities and other interest-bearing assets.
- 2. See discussion of deferred income taxes in Glossary entry on "income taxes."
- 3. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule HC, item 2.b, or as trading assets in Schedule HC, item 5, as appropriate.
- 4. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

**Schedule HC-G—Other Liabilities**

|                                                                            | Dollar Amounts in Thousands |           | BHCK |  |  |    |
|----------------------------------------------------------------------------|-----------------------------|-----------|------|--|--|----|
| 1. Not applicable                                                          |                             |           |      |  |  |    |
| 2. Net deferred tax liabilities <sup>1</sup> .....                         | 3049                        | 0         |      |  |  | 2. |
| 3. Allowance for credit losses on off-balance sheet credit exposures.....  | B557                        | 636000    |      |  |  | 3. |
| 4. Other.....                                                              | B984                        | 186169000 |      |  |  | 4. |
|                                                                            | bhct                        |           |      |  |  |    |
| 5. Total (sum of items 2 through 4) (must equal Schedule HC, item 20)..... | 2750                        | 186805000 |      |  |  | 5. |

- 1. See discussion of deferred income taxes in Glossary entry on "income taxes."

**Schedule HC-H—Interest Sensitivity<sup>1</sup>**

|                                                                                                                                                                        | Dollar Amounts in Thousands |           | BHCK |  |  |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------|------|--|--|----|
| 1. Earning assets that are repriceable within one year or mature within one year.....                                                                                  | 3197                        | 979943000 |      |  |  | 1. |
| 2. Interest-bearing deposit liabilities that reprice within one year or mature within one year included in item 13.a(2) and 13.b(2) on Schedule HC, Balance Sheet..... | 3296                        | 504058000 |      |  |  | 2. |
| 3. Long-term debt that reprices within one year included in items 16 and 19.a on Schedule HC, Balance Sheet.....                                                       | 3298                        | 112388000 |      |  |  | 3. |
| 4. Variable rate preferred stock (includes both limited-life and perpetual preferred stock).....                                                                       | 3408                        | 6000000   |      |  |  | 4. |
| 5. Long-term debt reported in Schedule HC, item 19.a on the Balance Sheet that is scheduled to mature within one year.....                                             | 3409                        | 3732000   |      |  |  | 5. |

- 1. Bank holding companies with foreign offices have the option of excluding the smallest of such non-U.S. offices from coverage in this schedule. Such bank holding companies may omit the smallest of their offices in foreign countries when arrayed by total assets provided that the assets of the excluded offices do not exceed 50 percent of the total assets of the bank holding company's assets in foreign countries and 10 percent of the bank holding company's total consolidated assets as of the report date.

**Board of Governors of the Federal Reserve System**



RSSD ID: 1039502

**Consolidated Financial Statements for Bank Holding Companies—FR Y-9C**

**Report at the close of business as of the last calendar day of the quarter**

This Report is required by law: Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844) and Section 225.5(b) of Regulation Y (12 CFR 225.5(b)).

This report form is to be filed by bank holding companies with total consolidated assets of \$500 million or more. In addition, bank holding companies meeting certain criteria must file this report (FR Y-9C) regardless of size. See page 1 of the general instructions for further

information. However, when such bank holding companies own or control, or are owned or controlled by, other bank holding companies, only the top-tier holding company must file this report for the consolidated holding company organization. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: Each bank holding company's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Consolidated Financial Statements for Bank Holding Companies. The Consolidated Financial Statements for Bank Holding Companies are to be prepared in accordance with instructions provided by the Federal Reserve System. The Consolidated Financial Statements for Bank Holding Companies must be signed and attested by the Chief Financial Officer (CFO) of the reporting bank holding company (or by the individual performing this equivalent function).

I, the undersigned CFO (or equivalent) of the named bank holding company, attest that the Consolidated Financial Statements for Bank Holding Companies (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Date of Report:

**December 31, 2009**

Month / Date / Year (BHCK 9999)

Printed Name of Chief Financial Officer (or Equivalent) (BHCK C490)

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

JPMORGAN CHASE & CO.

Legal Title of Bank Holding Company (TEXT 9010)

270 PARK AVENUE

(Mailing Address of the Bank Holding Company) Street / P.O. Box (TEXT 9110)

NEW YORK NY 10017

City (TEXT 9130) State (TEXT 9200) Zip Code (TEXT 9220)

Bank holding companies must maintain in their files a manually signed and attested printout of the data submitted.

Person to whom questions about this report should be directed:

|                                          |            |
|------------------------------------------|------------|
| <i>For Federal Reserve Bank Use Only</i> |            |
| RSSD ID _____                            |            |
| C.I. _____                               | S.F. _____ |

Name / Title (BHTX 8901)

Area Code / Phone Number (BHTX 8902)

FAX Number (BHTX 9116)

E-mail Address of Contact (BHTX 4086)

Public reporting burden for this information collection is estimated to vary from 5.0 to 1,250 hours per response, with an average of 41.65 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Comments regarding this burden estimate or any other aspect

of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0128), Washington, D.C. 20503.



**Schedule HI—Continued**

|     |    | Dollar Amounts in Thousands                                                                                                                                             |      | BHCK     |  |  |         |
|-----|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--|--|---------|
| 5.  | k. | Net gains (losses) on sales of other assets (excluding securities)                                                                                                      | B496 | 220000   |  |  | 5.k.    |
|     | l. | Other noninterest income <sup>3</sup>                                                                                                                                   | B497 | 11121000 |  |  | 5.l.    |
|     | m. | Total noninterest income (sum of items 5.a through 5.l)                                                                                                                 | 4079 | 48485000 |  |  | 5.m.    |
| 6.  | a. | Realized gains (losses) on held-to-maturity securities                                                                                                                  | 3521 | 0        |  |  | 6.a.    |
|     | b. | Realized gains (losses) on available-for-sale securities                                                                                                                | 3196 | 1110000  |  |  | 6.b.    |
| 7.  |    | Noninterest expense:                                                                                                                                                    |      |          |  |  |         |
|     | a. | Salaries and employee benefits                                                                                                                                          | 4135 | 27424000 |  |  | 7.a.    |
|     | b. | Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)                                           | 4217 | 8290000  |  |  | 7.b.    |
|     | c. | (1) Goodwill impairment losses                                                                                                                                          | C216 | 0        |  |  | 7.c.(1) |
|     |    | (2) Amortization expense and impairment losses for other intangible assets                                                                                              | C232 | 1050000  |  |  | 7.c.(2) |
|     | d. | Other noninterest expense <sup>4</sup>                                                                                                                                  | 4092 | 16282000 |  |  | 7.d.    |
|     | e. | Total noninterest expense (sum of items 7.a through 7.d)                                                                                                                | 4093 | 53046000 |  |  | 7.e.    |
| 8.  |    | Income (loss) before income taxes and extraordinary items, and other adjustments (sum of items 3, 5.m, 6.a, and 6.b minus items 4 and 7.e)                              | 4301 | 16149000 |  |  | 8.      |
| 9.  |    | Applicable income taxes (foreign and domestic)                                                                                                                          | 4302 | 4415000  |  |  | 9.      |
| 10. |    | Income (loss) before extraordinary items and other adjustments (item 8 minus item 9)                                                                                    | 4300 | 11734000 |  |  | 10.     |
| 11. |    | Extraordinary items and other adjustments, net of income taxes <sup>5</sup>                                                                                             | 4320 | 76000    |  |  | 11.     |
| 12. |    | Net income (loss) attributable to bank holding company and noncontrolling (minority) interests (sum of items 10 and 11)                                                 | G104 | 11810000 |  |  | 12.     |
| 13. |    | <b>LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)</b> | G103 | 82000    |  |  | 13.     |
| 14. |    | <b>Net income (loss) attributable to bank holding company (item 12 minus item 13)</b>                                                                                   | 4340 | 11728000 |  |  | 14.     |

- 3. See Schedule HI, memoranda item 6.
- 4. See Schedule HI, memoranda item 7.
- 5. Describe on Schedule HI, memoranda item 8.

**MEMORANDA**

|    |    | Dollar Amounts in Thousands                                                                                                                       |      | BHCK     |  |  |        |
|----|----|---------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--|--|--------|
| 1. |    | Net interest income (item 3 above) on a fully taxable equivalent basis                                                                            | 4519 | 51665000 |  |  | M.1.   |
| 2. |    | Net income before income taxes, extraordinary items, and other adjustments (Item 8 above) on a fully taxable equivalent basis                     | 4592 | 16478000 |  |  | M.2.   |
| 3. |    | Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule HI, items 1.a and 1.b, above)        | 4313 | 161000   |  |  | M.3.   |
| 4. |    | Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule HI, item 1.d.(3), above)            | 4507 | 237000   |  |  | M.4.   |
| 5. |    | Number of full-time equivalent employees at end of current period (round to nearest whole number)                                                 | BHCK | Number   |  |  |        |
|    |    |                                                                                                                                                   | 4150 | 211517   |  |  | M.5.   |
| 6. |    | Other noninterest income (from Schedule HI, item 5.l, above) (only report amounts greater than \$25,000 that exceed 3% of Schedule HI, item 5.l): | BHCK |          |  |  |        |
|    | a. | Income and fees from the printing and sale of checks                                                                                              | C013 | 0        |  |  | M.6.a. |
|    | b. | Earnings on/increase in value of cash surrender value of life insurance                                                                           | C014 | 808000   |  |  | M.6.b. |
|    | c. | Income and fees from automated teller machines (ATMs)                                                                                             | C016 | 0        |  |  | M.6.c. |
|    | d. | Rent and other income from other real estate owned                                                                                                | 4042 | 0        |  |  | M.6.d. |
|    | e. | Safe deposit box rent                                                                                                                             | C015 | 0        |  |  | M.6.e. |
|    | f. | Net change in the fair values of financial instruments accounted for under a fair value option                                                    | F229 | 2214000  |  |  | M.6.f. |

### Schedule HC-E—Deposit Liabilities<sup>1</sup>

|                                                                                                                                    | Dollar Amounts in Thousands |           |      |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------|------|
|                                                                                                                                    | BHCB                        |           |      |
| 1. Deposits held in domestic offices of commercial bank subsidiaries of the reporting bank holding company:                        |                             |           |      |
| a. Demand deposits_ .                                                                                                              | 2210                        | 57802000  | 1.a. |
| b. NOW, ATS, and other transaction accounts                                                                                        | 3187                        | 15906000  | 1.b. |
| c. Money market deposit accounts and other savings accounts_ .                                                                     | 2389                        | 437372000 | 1.c. |
| d. Time deposits of less than \$100,000                                                                                            | 6648                        | 41475000  | 1.d. |
| e. Time deposits of \$100,000 or more                                                                                              | 2604                        | 90552000  | 1.e. |
| 2. Deposits held in domestic offices of other depository institutions that are subsidiaries of the reporting bank holding company: | BHCO                        |           |      |
| a. Noninterest-bearing balances                                                                                                    | 3189                        | 0         | 2.a. |
| b. NOW, ATS, and other transaction accounts_ . . .                                                                                 | 3187                        | 0         | 2.b. |
| c. Money market deposit accounts and other savings accounts                                                                        | 2389                        | 0         | 2.c. |
| d. Time deposits of less than \$100,000                                                                                            | 6648                        | 0         | 2.d. |
| e. Time deposits of \$100,000 or more_ . . . .                                                                                     | 2604                        | 0j        | 2.e. |

#### MEMORANDA

|                                                                                          | Dollar Amounts in Thousands |          |      |
|------------------------------------------------------------------------------------------|-----------------------------|----------|------|
|                                                                                          | BHDM                        |          |      |
| 1. Brokered deposits less than \$100,000 with a remaining maturity of one year or less   | A243                        | 1401000  | M.1. |
| 2. Brokered deposits less than \$100,000 with a remaining maturity of more than one year | A164                        | 2945000  | M.2. |
| 3. Time deposits of \$100,000 or more with a remaining maturity of one year or less      | A242                        | 83006000 | M.3. |
|                                                                                          | BHFN                        |          |      |
| 4. Foreign office time deposits with a remaining maturity of one year or less            | A245                        | 97654000 | M.4. |

1. The sum of items 1 a through 1 e and items 2.a through 2 e must equal the sum of Schedule HC, items 13.a.(1) and 13.a.(2).

### Schedule HC-F—Other Assets

|                                                                                     | Dollar Amounts in Thousands |           |      |
|-------------------------------------------------------------------------------------|-----------------------------|-----------|------|
|                                                                                     | BHCK                        |           |      |
| 1. Accrued interest receivable <sup>1</sup>                                         | B556                        | 6584000   | 1.   |
| 2. Net deferred tax assets <sup>2</sup>                                             | 2148                        | 12587000  | 2.   |
| 3. Interest-only strips receivable (not in the form of a security) <sup>3</sup> on: |                             |           |      |
| a. Mortgage loans_                                                                  | A519                        | 0         | 3.a. |
| b. Other financial assets_                                                          | A520                        | 53000     | 3.b. |
| 4. Equity securities that DO NOT have readily determinable fair values <sup>4</sup> | 1752                        | 7268000   | 4.   |
| 5. Life insurance assets_                                                           | C009                        | 15821000  | 5.   |
| 6. Other_                                                                           | 2168                        | 101974000 | 6.   |
|                                                                                     | bhct                        |           |      |
| 7. Total (sum of items 1 through 6) (must equal Schedule HC, item 11)               | 2160                        | 144287000 | 7.   |

1. Include accrued interest receivable on loans, leases, debt securities and other interest-bearing assets.
2. See discussion of deferred income taxes in Glossary entry on "income taxes."
3. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule HC, item 2.b, or as trading assets in Schedule HC, item 5, as appropriate.
4. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

**Board of Governors of the Federal Reserve System**



RSSD ID: 1039502

# Consolidated Financial Statements for Bank Holding Companies—FR Y-9C

## Report at the close of business as of the last calendar day of the quarter

This Report is required by law: Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844) and Section 225.5(b) of Regulation Y (12 CFR 225.5(b)).

This report form is to be filed by bank holding companies with total consolidated assets of \$500 million or more. In addition, bank holding companies meeting certain criteria must file this report (FR Y-9C) regardless of size. See page 1 of the general instructions for

further information. However, when such bank holding companies own or control, or are owned or controlled by, other bank holding companies, only the top-tier holding company must file this report for the consolidated holding company organization. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

NOTE: Each bank holding company's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Consolidated Financial Statements for Bank Holding Companies. The Consolidated Financial Statements for Bank Holding Companies are to be prepared in accordance with instructions provided by the Federal Reserve System. The Consolidated Financial Statements for Bank Holding Companies must be signed and attested by the Chief Financial Officer (CFO) of the reporting bank holding company (or by the individual performing this equivalent function).

I, the undersigned CFO (or equivalent) of the named bank holding company, attest that the Consolidated Financial Statements for Bank Holding Companies (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

Date of Report:

**September 30, 2010**

Month / Date / Year (BHCK 9999)

Printed Name of Chief Financial Officer (or Equivalent) (BHCK C490)

Signature of Chief Financial Officer (or Equivalent)

Date of Signature (MM/DD/CCYY) (BHTX J196)

JPMORGAN CHASE & CO.

Legal Title of Bank Holding Company (TEXT 9010)  
270 PARK AVENUE

(Mailing Address of the Bank Holding Company) Street / P.O. Box (TEXT 9110)  
NEW YORK NY 10017

City (TEXT 9130) State (TEXT 9200) Zip Code (TEXT 9220)

Bank holding companies must maintain in their files a manually signed and attested printout of the data submitted.

Person to whom questions about this report should be directed:

|                                          |            |
|------------------------------------------|------------|
| <i>For Federal Reserve Bank Use Only</i> |            |
| RSSD ID _____                            |            |
| C.I. _____                               | S.F. _____ |

Name / Title (BHTX 8901)

Area Code / Phone Number (BHTX 8902)

FAX Number (BHTX 9116)

E-mail Address of Contact (BHTX 4086)

Public reporting burden for this information collection is estimated to vary from 5.0 to 1,250 hours per response, with an average of 42.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Comments regarding this burden estimate or

any other aspect of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0128), Washington, D.C. 20503.

**Schedule HI—Continued**

|                                                                                                                                                                           | Dollar Amounts in Thousands |  |          |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--|----------|---------|
|                                                                                                                                                                           | BHCK                        |  |          |         |
| 5. i. Net gains (losses) on sales of loans and leases .....                                                                                                               | 8560                        |  | 276000   | 5.i.    |
| j. Net gains (losses) on sales of other real estate owned.....                                                                                                            | 8561                        |  | 94000    | 5.j.    |
| k. Net gains (losses) on sales of other assets (excluding securities).....                                                                                                | B496                        |  | 47000    | 5.k.    |
| l. Other noninterest income <sup>3</sup> .....                                                                                                                            | B497                        |  | 10027000 | 5.l.    |
| m. Total noninterest income (sum of items 5.a through 5.l).....                                                                                                           | 4079                        |  | 36087000 | 5.m.    |
| 6. a. Realized gains (losses) on held-to-maturity securities.....                                                                                                         | 3521                        |  | 0        | 6.a.    |
| b. Realized gains (losses) on available-for-sale securities.....                                                                                                          | 3196                        |  | 1712000  | 6.b.    |
| 7. Noninterest expense:                                                                                                                                                   |                             |  |          |         |
| a. Salaries and employee benefits .....                                                                                                                                   | 4135                        |  | 21799000 | 7.a.    |
| b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest).....                                     | 4217                        |  | 5286000  | 7.b.    |
| c. (1) Goodwill impairment losses.....                                                                                                                                    | C216                        |  | 0        | 7.c.(1) |
| (2) Amortization expense and impairment losses for other intangible assets.....                                                                                           | C232                        |  | 696000   | 7.c.(2) |
| d. Other noninterest expense <sup>4</sup> .....                                                                                                                           | 4092                        |  | 17582000 | 7.d.    |
| e. Total noninterest expense (sum of items 7.a through 7.d) .....                                                                                                         | 4093                        |  | 45363000 | 7.e.    |
| 8. Income (loss) before income taxes and extraordinary items, and other adjustments (sum of items 3, 5.m, 6.a, and 6.b minus items 4 and 7.e) .....                       | 4301                        |  | 17864000 | 8.      |
| 9. Applicable income taxes (foreign and domestic).....                                                                                                                    | 4302                        |  | 5308000  | 9.      |
| 10. Income (loss) before extraordinary items and other adjustments (item 8 minus item 9).....                                                                             | 4300                        |  | 12556000 | 10.     |
| 11. Extraordinary items and other adjustments, net of income taxes <sup>5</sup> .....                                                                                     | 4320                        |  | 0        | 11.     |
| 12. Net income (loss) attributable to bank holding company and noncontrolling (minority) interests (sum of items 10 and 11).....                                          | G104                        |  | 12556000 | 12.     |
| 13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)..... | G103                        |  | 17000    | 13.     |
| 14. Net income (loss) attributable to bank holding company (item 12 minus item 13).....                                                                                   | 4340                        |  | 12539000 | 14.     |

3. See Schedule HI, memoranda item 6.  
4. See Schedule HI, memoranda item 7.  
5. Describe on Schedule HI, memoranda item 8.

**MEMORANDA**

|                                                                                                                                                      | Dollar Amounts in Thousands |        |          |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------|----------|--------|
|                                                                                                                                                      | BHCK                        |        |          |        |
| 1. Net interest income (item 3 above) on a fully taxable equivalent basis .....                                                                      | 4519                        |        | 39325000 | M.1.   |
| 2. Net income before income taxes, extraordinary items, and other adjustments (Item 8 above) on a fully taxable equivalent basis .....               | 4592                        |        | 18146000 | M.2.   |
| 3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule HI, items 1.a and 1.b, above) .....  | 4313                        |        | 105000   | M.3.   |
| 4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule HI, item 1.d.(3), above).....       | 4507                        |        | 253000   | M.4.   |
| 5. Number of full-time equivalent employees at end of current period (round to nearest whole number).....                                            | BHCK                        | Number |          |        |
|                                                                                                                                                      | 4150                        |        | 225949   | M.5.   |
| 6. Other noninterest income (from Schedule HI, item 5.l, above) (only report amounts greater than \$25,000 that exceed 3% of Schedule HI, item 5.l): |                             |        |          |        |
| a. Income and fees from the printing and sale of checks.....                                                                                         | C013                        |        | 0        | M.6.a. |
| b. Earnings on/increase in value of cash surrender value of life insurance .....                                                                     | C014                        |        | 540000   | M.6.b. |
| c. Income and fees from automated teller machines (ATMs).....                                                                                        | C016                        |        | 0        | M.6.c. |
| d. Rent and other income from other real estate owned.....                                                                                           | 4042                        |        | 0        | M.6.d. |
| e. Safe deposit box rent .....                                                                                                                       | C015                        |        | 0        | M.6.e. |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                               | F229                        |        | 3439000  | M.6.f. |

**Schedule HC-E—Deposit Liabilities<sup>1</sup>**

| Dollar Amounts in Thousands                                                                                                        |      | BHCB |           |  |      |
|------------------------------------------------------------------------------------------------------------------------------------|------|------|-----------|--|------|
| 1. Deposits held in domestic offices of commercial bank subsidiaries of the reporting bank holding company:                        |      |      |           |  |      |
| a. Demand deposits .....                                                                                                           | 2210 |      | 60915000  |  | 1.a. |
| b. NOW, ATS, and other transaction accounts .....                                                                                  | 3187 |      | 15983000  |  | 1.b. |
| c. Money market deposit accounts and other savings accounts .....                                                                  | 2389 |      | 471779000 |  | 1.c. |
| d. Time deposits of less than \$100,000 .....                                                                                      | 6648 |      | 34266000  |  | 1.d. |
| e. Time deposits of \$100,000 or more .....                                                                                        | 2604 |      | 71764000  |  | 1.e. |
| 2. Deposits held in domestic offices of other depository institutions that are subsidiaries of the reporting bank holding company: |      |      |           |  |      |
| BHOD                                                                                                                               |      |      |           |  |      |
| a. Noninterest-bearing balances .....                                                                                              | 3189 |      | 0         |  | 2.a. |
| b. NOW, ATS, and other transaction accounts .....                                                                                  | 3187 |      | 0         |  | 2.b. |
| c. Money market deposit accounts and other savings accounts .....                                                                  | 2389 |      | 0         |  | 2.c. |
| d. Time deposits of less than \$100,000 .....                                                                                      | 6648 |      | 0         |  | 2.d. |
| e. Time deposits of \$100,000 or more .....                                                                                        | 2604 |      | 0         |  | 2.e. |

**MEMORANDA**

| Dollar Amounts in Thousands                                                                    |      | BHDM |          |  |      |
|------------------------------------------------------------------------------------------------|------|------|----------|--|------|
| 1. Brokered deposits less than \$100,000 with a remaining maturity of one year or less .....   | A243 |      | 1397000  |  | M.1. |
| 2. Brokered deposits less than \$100,000 with a remaining maturity of more than one year ..... | A164 |      | 1863000  |  | M.2. |
| 3. Time deposits of \$100,000 or more with a remaining maturity of one year or less .....      | A242 |      | 65118000 |  | M.3. |
| BHFN                                                                                           |      |      |          |  |      |
| 4. Foreign office time deposits with a remaining maturity of one year or less .....            | A245 |      | 60979000 |  | M.4. |

1. The sum of items 1.a through 1.e and items 2.a through 2.e must equal the sum of Schedule HC, items 13.a.(1) and 13.a.(2).

**Schedule HC-F—Other Assets**

| Dollar Amounts in Thousands                                                               |      | BHCK |           |  |      |
|-------------------------------------------------------------------------------------------|------|------|-----------|--|------|
| 1. Accrued interest receivable <sup>1</sup> .....                                         | B556 |      | 6575000   |  | 1.   |
| 2. Net deferred tax assets <sup>2</sup> .....                                             | 2148 |      | 14824000  |  | 2.   |
| 3. Interest-only strips receivable (not in the form of a security) <sup>3</sup> on:       |      |      |           |  |      |
| a. Mortgage loans .....                                                                   | A519 |      | 0         |  | 3.a. |
| b. Other financial assets .....                                                           | A520 |      | 0         |  | 3.b. |
| 4. Equity securities that DO NOT have readily determinable fair values <sup>4</sup> ..... | 1752 |      | 7155000   |  | 4.   |
| 5. Life insurance assets .....                                                            | C009 |      | 16269000  |  | 5.   |
| 6. Other .....                                                                            | 2168 |      | 90341000  |  | 6.   |
| bhct                                                                                      |      |      |           |  |      |
| 7. Total (sum of items 1 through 6) (must equal Schedule HC, item 11) .....               | 2160 |      | 135164000 |  | 7.   |

1. Include accrued interest receivable on loans, leases, debt securities and other interest-bearing assets.
2. See discussion of deferred income taxes in Glossary entry on "income taxes."
3. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule HC, item 2.b, or as trading assets in Schedule HC, item 5, as appropriate.
4. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

# Attachment E

FDIC Forms RI-E

Dollar amounts in thousands

|                                                                                                                                                                            |          |            |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------|
| 4. Noninterest income in foreign offices:                                                                                                                                  |          |            | 4.   |
| a. Trading revenue.....                                                                                                                                                    | RIADC902 | 5,032,000  | 4.a. |
| b. Investment banking, advisory, brokerage, and underwriting fees and commissions.....                                                                                     | RIADC903 | 2,174,000  | 4.b. |
| c. Net securitization income.....                                                                                                                                          | RIADC904 | 0          | 4.c. |
| d. Other noninterest income.....                                                                                                                                           | RIADC905 | 3,693,000  | 4.d. |
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 325,000    | 5.   |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 11,003,000 | 6.   |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 5,000      | 7.   |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | 1,944,000  | 8.   |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0          | 9.   |
| 10. Net income attributable to foreign offices before internal allocations of income and expense (item 1 plus or minus items 2 through 9).....                             | RIADC911 | 3,570,000  | 10.  |
| 11. Not applicable                                                                                                                                                         |          |            | 11.  |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | 1,191,000  | 12.  |
| 13. Consolidated net income attributable to foreign offices (sum of items 10 and 12).....                                                                                  | RIADC914 | 4,761,000  | 13.  |

**Schedule RI-E - Explanations**

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.i:   |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 332,000              | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 3,591,000            | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 1,625,000            | 1.g.   |
| h. Gains on bargain purchases.....                                                                                                                    | RIADJ447 | 0                    | 1.h.   |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan Commitment Fees | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 439,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 657,000              | 1.j.2. |
| k. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.k.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.k.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 485,000              | 1.k.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 331,000              | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 584,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |

ATK  
 9/30/10

Dollar amounts in thousands

|                                                                                                                                                                            |          |           |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|------|
| 4. Noninterest income in foreign offices:                                                                                                                                  |          |           | 4.   |
| a. Trading revenue.....                                                                                                                                                    | RIADC902 | 3,892,000 | 4.a. |
| b. Investment banking, advisory, brokerage, and underwriting fees and commissions.....                                                                                     | RIADC903 | 1,390,000 | 4.b. |
| c. Net securitization income.....                                                                                                                                          | RIADC904 | 0         | 4.c. |
| d. Other noninterest income.....                                                                                                                                           | RIADC905 | 2,628,000 | 4.d. |
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 321,000   | 5.   |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 7,339,000 | 6.   |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 3,000     | 7.   |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | 1,427,000 | 8.   |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0         | 9.   |
| 10. Net income attributable to foreign offices before internal allocations of income and expense (item 1 plus or minus items 2 through 9).....                             | RIADC911 | 2,855,000 | 10.  |
| 11. Not applicable                                                                                                                                                         |          |           | 11.  |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | 1,648,000 | 12.  |
| 13. Consolidated net income attributable to foreign offices (sum of items 10 and 12).....                                                                                  | RIADC914 | 4,503,000 | 13.  |

**Schedule RI-E - Explanations**

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.i:   |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 209,000              | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 1,933,000            | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 1,051,000            | 1.g.   |
| h. Gains on bargain purchases.....                                                                                                                    | RIADJ447 | 0                    | 1.h.   |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan Commitment Fees | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 291,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 423,000              | 1.j.2. |
| k. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.k.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.k.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 319,000              | 1.k.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 0                    | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 361,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4138 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |

QTR  
6/30/10



Dollar amounts in thousands

|                                                                                                                                                                            |          |           |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|------|
| 4. Noninterest income in foreign offices:                                                                                                                                  |          |           | 4.   |
| a. Trading revenue.....                                                                                                                                                    | RIADC902 | 2,288,000 | 4.a. |
| b. Investment banking, advisory, brokerage, and underwriting fees and commissions....                                                                                      | RIADC903 | 701,000   | 4.b. |
| c. Net securitization income.....                                                                                                                                          | RIADC904 | 0         | 4.c. |
| d. Other noninterest income.....                                                                                                                                           | RIADC905 | 1,188,000 | 4.d. |
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 121,000   | 5.   |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 3,062,000 | 6.   |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 2,000     | 7.   |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | 908,000   | 8.   |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0         | 9.   |
| 10. Net income attributable to foreign offices before internal allocations of income and expense (item 1 plus or minus items 2 through 9).....                             | RIADC911 | 2,081,000 | 10.  |
| 11. Not applicable                                                                                                                                                         |          |           | 11.  |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | 1,017,000 | 12.  |
| 13. Consolidated net income attributable to foreign offices (sum of items 10 and 12).....                                                                                  | RIADC914 | 3,098,000 | 13.  |

Schedule RI-E - Explanations

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.):   |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 115,000              | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 719,000              | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 501,000              | 1.g.   |
| h. Gains on bargain purchases.....                                                                                                                    | RIADJ447 | 0                    | 1.h.   |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan commitment fees | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 141,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 203,000              | 1.j.2. |
| k. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.k.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.k.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 158,000              | 1.k.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 0                    | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 174,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |
| g. FDIC deposit insurance assessments.....                                                                                                            | RIAD4146 | CCINF                | 2.g.   |

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3/31/10

Dollar amounts in thousands

|                                                                                                                                                                            |          |            |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------|
| d. Other noninterest income.....                                                                                                                                           | RIADC905 | 4,512,000  | 4.d. |
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 273,000    | 5.   |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 13,031,000 | 6.   |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 16,000     | 7.   |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | 2,005,000  | 8.   |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0          | 9.   |
| 10. Net income attributable to foreign offices before internal allocations of income and expense.....                                                                      | RIADC911 | 6,341,000  | 10.  |
| 11. Internal allocations of income and expense applicable to foreign offices.....                                                                                          | RIADC912 | 37,000     | 11.  |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | -3,103,000 | 12.  |
| 13. Consolidated net income attributable to foreign offices.....                                                                                                           | RIADC914 | 3,275,000  | 13.  |

### Schedule RI-E - Explanations

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.i) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.i:  |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 453,000              | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 2,586,000            | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 1,786,000            | 1.g.   |
| h. Gains on bargain purchases.....                                                                                                                    | RIADJ447 | 0                    | 1.h.   |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan commitment fees | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 606,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 663,000              | 1.j.2. |
| k. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.k.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.k.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 570,000              | 1.k.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 537,000              | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 621,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |
| g. FDIC deposit insurance assessments.....                                                                                                            | RIAD4146 | CONF                 | 2.g.   |
| h. Accounting and auditing expenses.....                                                                                                              | RIADF556 | 0                    | 2.h.   |
| i. Consulting and advisory expenses.....                                                                                                              | RIADF557 | 3,316,000            | 2.i.   |
| j. Automated teller machine (ATM) and interchange expenses.....                                                                                       | RIADF558 | 0                    | 2.j.   |
| k. Telecommunications expenses.....                                                                                                                   | RIADF559 | 0                    | 2.k.   |

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Dollar amounts in thousands

|                                                                                                                                                                            |          |            |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------|
| d. Other noninterest income.....                                                                                                                                           | RIADC905 | 3,200,000  | 4.d. |
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 258,000    | 5.   |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 9,500,000  | 6.   |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 13,000     | 7.   |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | 1,774,000  | 8.   |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0          | 9.   |
| 10. Net income attributable to foreign offices before internal allocations of income and expense.....                                                                      | RIADC911 | 5,564,000  | 10.  |
| 11. Internal allocations of income and expense applicable to foreign offices.....                                                                                          | RIADC912 | -295,000   | 11.  |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | -1,574,000 | 12.  |
| 13. Consolidated net income attributable to foreign offices.....                                                                                                           | RIADC914 | 3,695,000  | 13.  |

### Schedule RI-E - Explanations

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.:    |          |                      |        |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 361,000              | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 1,940,000            | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 1,313,000            | 1.g.   |
| h. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.h.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan commitment fees | 1.h.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 443,000              | 1.h.2. |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 475,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 415,000              | 1.j.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      |        |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 381,000              | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 463,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |
| g. FDIC deposit insurance assessments.....                                                                                                            | RIAD4146 | CONF                 | 2.g.   |
| h. Accounting and auditing expenses.....                                                                                                              | RIADF556 | 0                    | 2.h.   |
| i. Consulting and advisory expenses.....                                                                                                              | RIADF557 | 2,481,000            | 2.i.   |
| j. Automated teller machine (ATM) and interchange expenses.....                                                                                       | RIADF558 | 0                    | 2.j.   |
| k. Telecommunications expenses.....                                                                                                                   | RIADF559 | 0                    | 2.k.   |
| l. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 2.l.   |

QTR  
 9/30/09

Dollar amounts in thousands

|                                                                                                                                                                            |          |            |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------|
| d. Other noninterest income.....                                                                                                                                           | RIADC905 | 4,512,000  | 4.d. |
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 273,000    | 5.   |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 13,031,000 | 6.   |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 16,000     | 7.   |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | 2,005,000  | 8.   |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0          | 9.   |
| 10. Net income attributable to foreign offices before internal allocations of income and expense.....                                                                      | RIADC911 | 6,341,000  | 10.  |
| 11. Internal allocations of income and expense applicable to foreign offices.....                                                                                          | RIADC912 | 37,000     | 11.  |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | -3,103,000 | 12.  |
| 13. Consolidated net income attributable to foreign offices.....                                                                                                           | RIADC914 | 3,275,000  | 13.  |

Schedule RI-E - Explanations

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.:    |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 453,000              | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 2,586,000            | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 1,786,000            | 1.g.   |
| h. Gains on bargain purchases.....                                                                                                                    | RIADJ447 | 0                    | 1.h.   |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan commitment fees | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 606,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 663,000              | 1.j.2. |
| k. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.k.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.k.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 570,000              | 1.k.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 537,000              | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 621,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |
| g. FDIC deposit insurance assessments.....                                                                                                            | RIAD4146 | CONF                 | 2.g.   |
| h. Accounting and auditing expenses.....                                                                                                              | RIADF556 | 0                    | 2.h.   |
| i. Consulting and advisory expenses.....                                                                                                              | RIADF557 | 3,316,000            | 2.i.   |
| j. Automated teller machine (ATM) and interchange expenses.....                                                                                       | RIADF558 | 0                    | 2.j.   |
| k. Telecommunications expenses.....                                                                                                                   | RIADF559 | 0                    | 2.k.   |

QTR  
 12/31/09

Dollar amounts in thousands

|                                                                                                                                                                            |          |            |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------|
| d. Other noninterest income.....                                                                                                                                           | RIADC905 | 2,212,000  | 4.d. |
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 223,000    | 5.   |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 5,863,000  | 6.   |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 11,000     | 7.   |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | 1,117,000  | 8.   |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0          | 9.   |
| 10. Net income attributable to foreign offices before internal allocations of income and expense.....                                                                      | RIADC911 | 3,863,000  | 10.  |
| 11. Internal allocations of income and expense applicable to foreign offices.....                                                                                          | RIADC912 | -117,000   | 11.  |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | -1,759,000 | 12.  |
| 13. Consolidated net income attributable to foreign offices.....                                                                                                           | RIADC914 | 1,987,000  | 13.  |

Schedule RI-E - Explanations

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.:    |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 0                    | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 679,000              | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 863,000              | 1.g.   |
| h. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.h.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan commitment fees | 1.h.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 289,000              | 1.h.2. |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 303,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 267,000              | 1.j.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 0                    | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 295,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |
| g. FDIC deposit insurance assessments.....                                                                                                            | RIAD4146 | CONF                 | 2.g.   |
| h. Accounting and auditing expenses.....                                                                                                              | RIADF556 | 0                    | 2.h.   |
| i. Consulting and advisory expenses.....                                                                                                              | RIADF557 | 1,678,000            | 2.i.   |
| j. Automated teller machine (ATM) and interchange expenses.....                                                                                       | RIADF558 | 0                    | 2.j.   |
| k. Telecommunications expenses.....                                                                                                                   | RIADF559 | 0                    | 2.k.   |
| l. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 2.l.   |

Dollar amounts in thousands

|                                                                                                                                                                            |          |            |      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------|
| d. Other noninterest income.....                                                                                                                                           | RIADC905 | 1,269,000  | 4.d. |
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 55,000     | 5.   |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 2,779,000  | 6.   |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 9,000      | 7.   |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | 636,000    | 8.   |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0          | 9.   |
| 10. Net income attributable to foreign offices before internal allocations of income and expense.....                                                                      | RIADC911 | 2,293,000  | 10.  |
| 11. Internal allocations of income and expense applicable to foreign offices.....                                                                                          | RIADC912 | -1,086,000 | 11.  |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | -23,000    | 12.  |
| 13. Consolidated net income attributable to foreign offices.....                                                                                                           | RIADC914 | 1,184,000  | 13.  |

### Schedule RI-E - Explanations

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.i) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.i:  |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 0                    | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 486,000              | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 398,000              | 1.g.   |
| h. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.h.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan commitment fees | 1.h.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 131,000              | 1.h.2. |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 144,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 129,000              | 1.j.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 114,000              | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 143,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |
| g. FDIC deposit insurance assessments.....                                                                                                            | RIAD4146 | 255,000              | 2.g.   |
| h. Accounting and auditing expenses.....                                                                                                              | RIADF556 | 0                    | 2.h.   |
| i. Consulting and advisory expenses.....                                                                                                              | RIADF557 | 858,000              | 2.i.   |
| j. Automated teller machine (ATM) and interchange expenses.....                                                                                       | RIADF558 | 0                    | 2.j.   |
| k. Telecommunications expenses.....                                                                                                                   | RIADF559 | 0                    | 2.k.   |
| l. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 2.l.   |

Dollar amounts in thousands

|                                                                                                                                                                            |          |            |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|-----|
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 61,000     | 5.  |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 13,297,000 | 6.  |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 22,000     | 7.  |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | -313,000   | 8.  |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0          | 9.  |
| 10. Net income attributable to foreign offices before internal allocations of income and expense.....                                                                      | RIADC911 | 8,364,000  | 10. |
| 11. Internal allocations of income and expense applicable to foreign offices.....                                                                                          | RIADC912 | -4,839,000 | 11. |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | 2,321,000  | 12. |
| 13. Consolidated net income attributable to foreign offices.....                                                                                                           | RIADC914 | 5,846,000  | 13. |

Schedule RI-E - Explanations

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.i) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.i:  |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 0                    | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 0                    | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 1,251,000            | 1.g.   |
| h. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.h.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan commitment fees | 1.h.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 423,000              | 1.h.2. |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 518,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 438,000              | 1.j.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 0                    | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 631,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |
| g. FDIC deposit insurance assessments.....                                                                                                            | RIAD4146 | 0                    | 2.g.   |
| h. Accounting and auditing expenses.....                                                                                                              | RIADF556 | 0                    | 2.h.   |
| i. Consulting and advisory expenses.....                                                                                                              | RIADF557 | 3,563,000            | 2.i.   |
| j. Automated teller machine (ATM) and interchange expenses.....                                                                                       | RIADF558 | 0                    | 2.j.   |
| k. Telecommunications expenses.....                                                                                                                   | RIADF559 | 0                    | 2.k.   |
| l. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 2.l.   |

Dollar amounts in thousands

|                                                                                                                                                                            |          |            |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|-----|
| 5. Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices.....                                                                   | RIADC906 | 20,000     | 5.  |
| 6. Total noninterest expense in foreign offices.....                                                                                                                       | RIADC907 | 10,081,000 | 6.  |
| 7. Adjustments to pretax income in foreign offices for internal allocations to foreign offices to reflect the effects of equity capital on overall bank funding costs..... | RIADC908 | 20,000     | 7.  |
| 8. Applicable income taxes (on items 1 through 7).....                                                                                                                     | RIADC909 | -385,000   | 8.  |
| 9. Extraordinary items and other adjustments, net of income taxes, in foreign offices.....                                                                                 | RIADC910 | 0          | 9.  |
| 10. Net income attributable to foreign offices before internal allocations of income and expense.....                                                                      | RIADC911 | 6,259,000  | 10. |
| 11. Internal allocations of income and expense applicable to foreign offices.....                                                                                          | RIADC912 | -4,039,000 | 11. |
| 12. Eliminations arising from the consolidation of foreign offices with domestic offices.....                                                                              | RIADC913 | -1,232,000 | 12. |
| 13. Consolidated net income attributable to foreign offices.....                                                                                                           | RIADC914 | 988,000    | 13. |

### Schedule RI-E - Explanations

Dollar amounts in thousands

|                                                                                                                                                       |          |                      |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------|--------|
| 1. Other noninterest income (from Schedule RI, item 5.) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.:    |          |                      | 1.     |
| a. Income and fees from the printing and sale of checks.....                                                                                          | RIADC013 | 0                    | 1.a.   |
| b. Earnings on/increase in value of cash surrender value of life insurance.....                                                                       | RIADC014 | 0                    | 1.b.   |
| c. Income and fees from automated teller machines (ATMs).....                                                                                         | RIADC016 | 0                    | 1.c.   |
| d. Rent and other income from other real estate owned.....                                                                                            | RIAD4042 | 0                    | 1.d.   |
| e. Safe deposit box rent.....                                                                                                                         | RIADC015 | 0                    | 1.e.   |
| f. Net change in the fair values of financial instruments accounted for under a fair value option.....                                                | RIADF229 | 498,000              | 1.f.   |
| g. Bank card and credit card interchange fees.....                                                                                                    | RIADF555 | 1,021,000            | 1.g.   |
| h. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.h.   |
| 1. Describe component.....                                                                                                                            | TEXT4461 | Loan commitment fees | 1.h.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4461 | 299,000              | 1.h.2. |
| i. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.i.   |
| 1. Describe component.....                                                                                                                            | TEXT4462 | Click here for value | 1.i.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4462 | 383,000              | 1.i.2. |
| j. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 1.j.   |
| 1. Describe component.....                                                                                                                            | TEXT4463 | Click here for value | 1.j.1. |
| 2. Amount of component.....                                                                                                                           | RIAD4463 | 314,000              | 1.j.2. |
| 2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d: |          |                      | 2.     |
| a. Data processing expenses.....                                                                                                                      | RIADC017 | 0                    | 2.a.   |
| b. Advertising and marketing expenses.....                                                                                                            | RIAD0497 | 424,000              | 2.b.   |
| c. Directors' fees.....                                                                                                                               | RIAD4136 | 0                    | 2.c.   |
| d. Printing, stationery, and supplies.....                                                                                                            | RIADC018 | 0                    | 2.d.   |
| e. Postage.....                                                                                                                                       | RIAD8403 | 0                    | 2.e.   |
| f. Legal fees and expenses.....                                                                                                                       | RIAD4141 | 0                    | 2.f.   |
| g. FDIC deposit insurance assessments.....                                                                                                            | RIAD4146 | 0                    | 2.g.   |
| h. Accounting and auditing expenses.....                                                                                                              | RIADF556 | 0                    | 2.h.   |
| i. Consulting and advisory expenses.....                                                                                                              | RIADF557 | 2,500,000            | 2.i.   |
| j. Automated teller machine (ATM) and interchange expenses.....                                                                                       | RIADF558 | 0                    | 2.j.   |
| k. Telecommunications expenses.....                                                                                                                   | RIADF559 | 0                    | 2.k.   |
| l. Disclose component and the dollar amount of that component:                                                                                        |          |                      | 2.l.   |



Attachment F

Online.wsj article

By ELLEN E. SCHULTZ

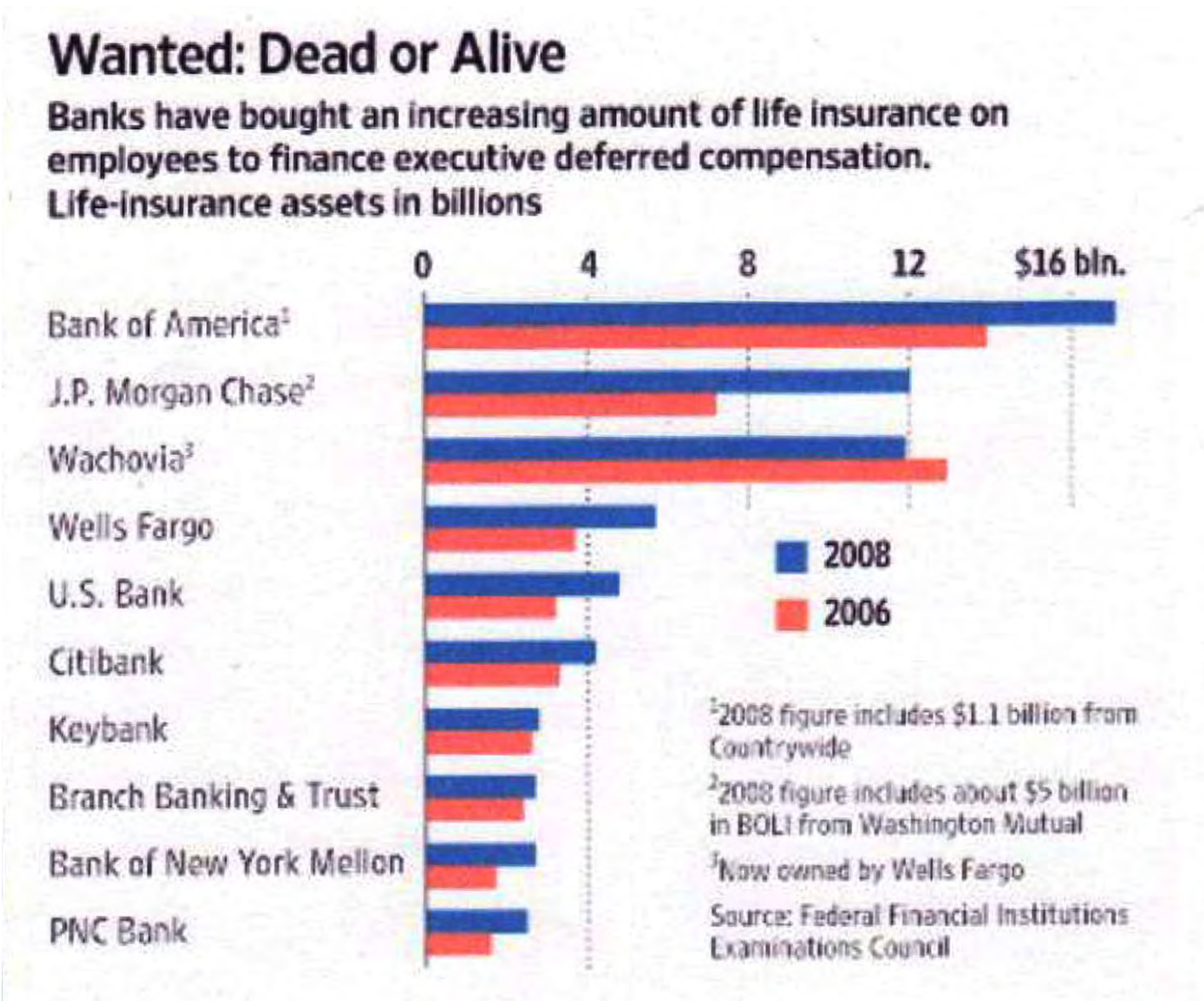
Banks are using a little-known tactic to help pay bonuses, deferred pay and pensions they owe executives: They're holding life-insurance policies on hundreds of thousands of their workers, with themselves as the beneficiaries.

Banks took out much of this life insurance during the mortgage bubble, when executives' pay — and the IOUs for their deferred compensation — surged, and banking regulators affirmed the use of life insurance as a way to finance executive pay and benefits.

Bank of America Corp. has the most life insurance on employees: \$17.3 billion at the end of the first quarter, according to bank filings. Wachovia Corp. has \$12 billion, J.P. Morgan Chase & Co. has \$11.1 billion and Wells Fargo & Co. has \$5.7 billion. (Wells Fargo acquired Wachovia at the end of last year.)

The insurance policies essentially are informal pension funds for executives: Companies deposit money into the contracts, which are like big, nondeductible IRAs, and allocate the cash among investments that grow tax-free. Over time, employers receive tax-free death benefits when employees, former employees and retirees die.

Though not improper, the practice is similar to what is known as "janitors insurance," an insurance-on-employees technique that has long been controversial. Critics say the banks' insurance contracts are a way for companies to create tax breaks for funding executive pensions. And some families have complained that employers shouldn't profit from the deaths of their loved ones.



Efforts to rein in the practice largely have been unsuccessful, including the most recent rules Congress enacted in 2006. The rules limit companies to buying life insurance to just the top third of earners, who must provide consent. But the rules don't apply to life-insurance that employers bought before the August 2006 rules, which cover millions of current and former employees.

Banks are far from alone in buying such company-owned life insurance, or COLL. Thousands of companies do it, including American International Group Inc., Fannie Mae, Freddie Mac, Kimberly-Clark Corp. and Tyson Foods, Inc. But banks have been among the largest players, pumping billions more into new policies since the 2006 rules were put in place.

Last week, the Treasury proposed eliminating companies' ability to deduct interest on loans related to COLI. This would have little impact on banks, which don't borrow money to invest in life insurance. The proposal would also leave untouched the major tax breaks of the practice.

Banks had a total of \$122.3 billion in life insurance on employees at the end of 2008, nearly double the \$65.8 billion they held at the end of 2004, according to a Wall Street Journal analysis of bank filings. Unlike other companies, banks are required to disclose their total life-insurance holdings in regulatory filings.

In recent years, the Office of the Comptroller of the Currency affirmed that banks can buy life insurance to finance employee benefits. But filings show that executive compensation accounts for most of the benefits.

J.P. Morgan, for instance, had \$10 billion in deferred-pay obligations, compared with \$1 billion in retiree health obligations at the end of 2008. Offsetting these obligations was \$12 billion in bank-owned life insurance, or BOLI. A spokesman for J.P. Morgan confirms the figures.

Citigroup Inc. had \$919 million in unfunded retiree-health obligations, \$586 million in supplemental executive pension obligations, and roughly \$5 billion in deferred compensation. Offsetting these obligations: \$4.2 billion in life insurance. A spokesman says Citigroup bought BOLI because it was "an attractive use of capital," and for "the tax-free nature of the death proceeds."

Bank of America doesn't disclose its deferred-compensation obligations, but filings show that at the end of 2008, its retiree health plan had an unfunded obligation of \$1.3 billion, and that it owed \$1.3 billion in supplemental executive pensions. The bank had a total of \$17.1 billion in life insurance, which suggests a substantial deferred-compensation obligation. A BofA spokeswoman declined to comment on the deferred compensation obligation, but in an email said: "Like many companies, Bank of America uses this insurance to help defray the cost of employee benefits."

Companies don't use the policies as piggy banks to pay for compensation and benefits. Rather, they benefit from keeping the money in the contracts: Thanks to accounting rules for life insurance, gains on the investments — from stocks, hedge funds, bonds and the like — aren't just tax free, but are reported as income each quarter. Otherwise, companies couldn't add gains from securities as income until they sold them, and they would be taxed.

This income reduces the drag that executive IOUs have on earnings. (Banks owe interest on the deferred pay; and like any other kind of debt, the interest on executive debt lowers earnings.)

Though the investments are illiquid, the banks receive tax-free cash when employees and

former employees die. Pacific State Bancorp, of Stockton, Calif., recently reported \$2.6 million in income from a death benefit in 2008. The company didn't respond to requests for comment.

A subsidiary of Conseco Inc., Bankers Life & Casualty, which bought life insurance on employees in 2006, received \$2.7 million that year from a death benefit, according to filings. A spokesman says the bank bought the insurance "to offset the expense of deferred compensation."

Over the coming decades, banks will receive an estimated \$400 billion in death benefits, consultants estimate. The death benefits sometimes are referred to in filings as "mortality dividends" or "yields." Employers track the deaths of former employees by checking Social Security Administration records.

As an incentive to get employees to consent to being covered, some companies offer them a small portion of the death benefit. But the coverage may end when they leave the company.

In December, Irma Johnson accidentally received a check for \$1.6 million, from Security Life of Denver Insurance Co., payable to Amegy Bank. According to a lawsuit Mrs. Johnson filed in February in a Houston state court, in 2001 the bank told her husband, Daniel Johnson, a credit risk manager who had survived two brain surgeries, that he was eligible for supplemental life insurance of \$150,000, if he signed a consent form authorizing the bank to purchase an insurance policy on his life. Four months later, the bank fired him.

Mr. Johnson died from a brain tumor at age 41 in 2008. His widow and two young children received no life-insurance benefits, which the bank had canceled when Mr. Johnson left. Mrs. Johnson says her husband was cognitively disabled when he signed the consent form.

A spokeswoman for Amegy Bank, a unit of Zions Bancorp, declined to comment on the suit, but said, "Participation in Amegy's BOLI plan was completely voluntary; employees consented to participate."

<http://online.wsi.com/article/SB124277653430137Q33.html>

o

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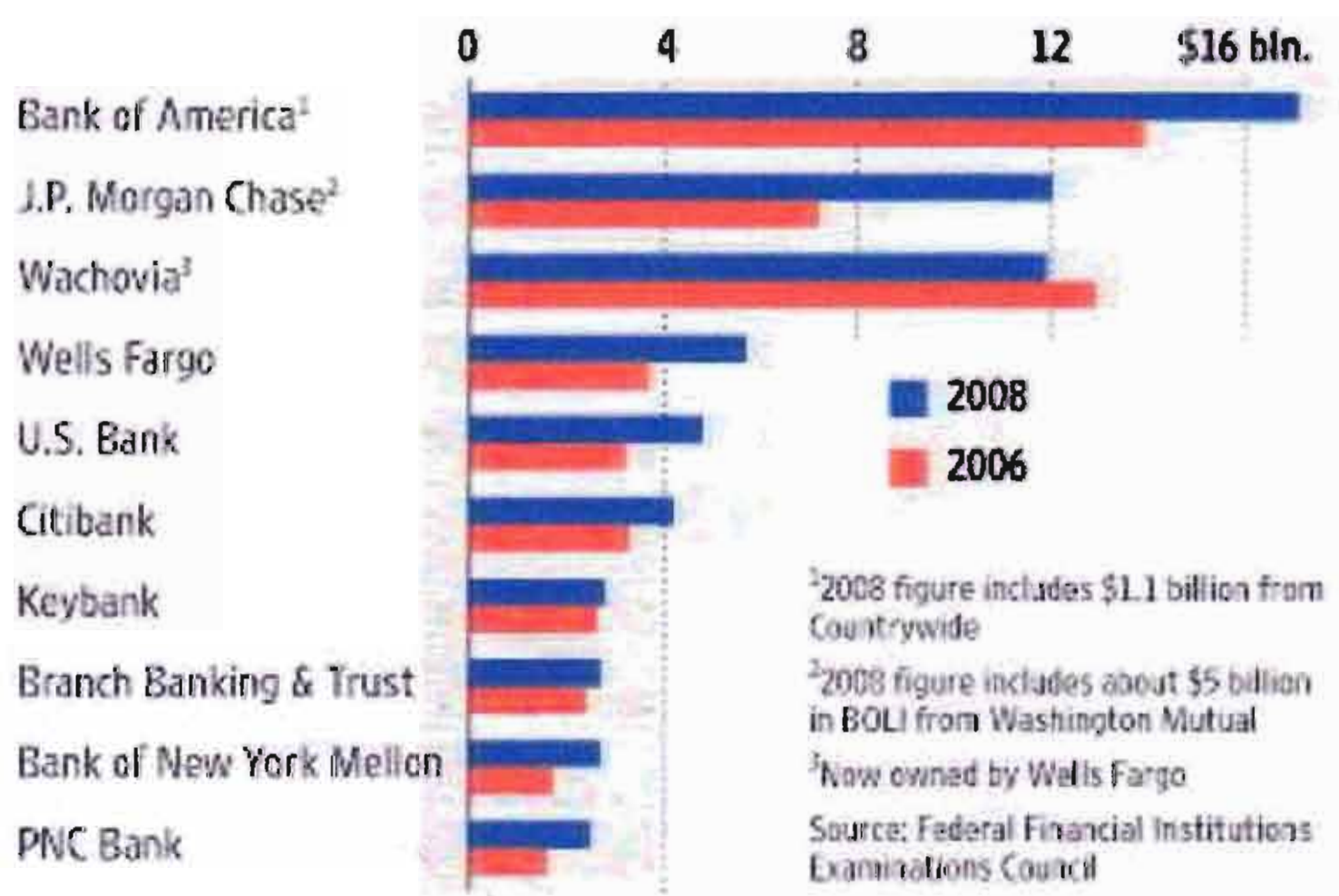
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## Wanted: Dead or Alive

Banks have bought an increasing amount of life insurance on employees to finance executive deferred compensation.

Life-insurance assets in billions



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## Attachment G

Composition of Tax Group

## **Background**

### **THE, NOL AND CAPITAL LOSS CARRYFORWARDS**

There is one 2008 consolidated tax return with unused NOLs and capital losses that should be carried forward to the benefit of the estate. The tax benefits of the carryforwards can be worth \$7.419B in NOL carryforward at 35% or approximately \$2.6B of tax saving<sup>^</sup> This amount should be discounted for the benefit periods, and should also be considered an asset of the estate.

This amount \$15.380B NOL in the carryback from the revised \$22.2B per the IRS audited 2008 NOL. That leaves the Tax Group with \$7.419B in NOL carryforward at 35%, or approximately \$2.6B of tax saving valuation.

#### **5th Disclosure Statement - July 1, 2010**

##### **IV.D.**

##### **18. Tax Claims and Refunds.**

*As previously indicated, WMI and its direct and indirect subsidiaries (including WMB), are members of an affiliated group of corporations for U.S. federal income tax purposes, of which WMI is the common parent (previously referred to as the Tax Group"), and have been filing a single consolidated federal income tax return. The Tax Group has also been filing consolidated, combined or unitary tax returns for various state and local tax purposes.*

^J^T&rRefunds

*The Debtors believe that WMI is entitled to substantial tax refunds arising from the resolution of certain tax matters. **In addition, the Debtors estimate that, as of December 31, 2008, the Tax Group incurred NOLs for federal income tax purposes in excess of \$25 billion.** The NOLs are valuable assets as they can be carried back against the federal taxable income of the Tax Group for prior years, allowing the Tax Group to reduce any federal income tax liabilities determined to be owing and to recover federal income taxes paid in those earlier years. Prior to enactment of the Worker, Homeownership, and Business Assistance Act (previously defined as the "Act") on November 9, 2009, corporate taxpayers could generally carry back NOLs only to the two preceding taxable years. The Act permits corporate taxpayers, subject to certain limitations, a one-time election to extend the NOL carryback period from two years to up to five years (with the fifth year limited to half of that year's taxable income). As permitted, WMI filed refund claims based on a five-year carryback of the Tax Group's 2008 NOL*

*As indicated above, WMI believes that the Tax Group is entitled to federal and state Tax Refunds, net of tax payments estimated to be owed to taxing authorities, of approximately \$5.5 to \$5.8 billion in taxes, including interest through a projected future date of receipt. Over 85% of this amount reflects the claimed federal income*

## Attachment H

Trial Transcript VERITEX REPORTING COMPANY 12/07/2010

Page/line 276/19-25,277/1-11



r

1 UNITED STATES BANKRUPTCY COURT

2 DISTRICT OF DELAWARE

3 - - - - - x

4 In the Matter of :

5 WASHINGTON MUTUAL, INC., ET AL.,

Case No.

6 Debtors.

08-12229 (MFW)

7 - - - - - x

8 BLACK HORSE CAPITAL LP, ET AL., Plaintiffs, ADV. Proceeding

9 - against -

No. 10-51387 (MFW)

10 JPMORGAN CHASE BANK, N.A., ET AL., Defendants.

11 - -x

12 BROADBILL INVESTMENT CORP., Plaintiff, ADV. Proceeding

13 - against -

No. 10-50911 (MFW)

14 WASHINGTON MUTUAL, INC., Defendant

15

16 U.S. Bankruptcy Court

17 824 North Market Street

18 Wilmington, Delaware

19

20 December 7, 2010

21 9:38 AM

22 B E F O R E :

23 HON. MARY F. WALRATH

24 U.S. BANKRUPTCY JUDGE

25 ECR OPERATOR: BRANDON MCCARTHY

1 the releases that one could argue that the equity holders are  
2 indirectly releasing their claims. Again, Your Honor, that is  
3 not our intent. And if it is by way of utilization of a  
4 definition that achieves that result, Your Honor, we would like  
5 to make clear on the record here that we'll modify that  
6 definition to make clear that we are not asking any equity  
7 holder to release a claim pursuant to 43.6 or any other  
8 provision of the plan.

9 Ms. Leamy stood up, Your Honor, and made a comment  
10 about the opt-outs and the fact that the ballot -- or the  
11 provision may have changed and it may not have been on the  
12 ballot at the time that people went and opted out of it. Your  
13 Honor, again, if this would clear up any confusion, we are  
14 happy to include in the confirmation order a provision that we  
15 will go and ask anyone who opted out if they want to change  
16 their mind. And I believe that is what Mr. Sacks had indicated  
17 that JPMorgan would be prepared to do. So we would give those  
18 people who opted out another opportunity to opt in.

19 There was a comment, Your Honor -- it was perhaps in a  
20 demonstrative -- by Mr. Nelson about the 5.5 billion dollar  
21 NOL. And Your Honor, we don't believe that at this point in  
22 time that NOL exists, but there was a statement or an inference  
23 that Mr. Nelson wanted the Court to draw that that was fully  
24 available and would be fully used and would be fully drawn  
25 down. Well, of course -- and of course as a corresponding

1 aspect to that there was a statement about the value of reorg  
2 WMI .

3 Of course, Your Honor, the equity committee put nobody  
4 on the stand to challenge the valuation that was performed by  
5 the Blackstone group and represented by Mr. Zelin on the stand.  
6 And of course they have retained Peter J. Solomon and they  
7 could have certainly put someone on to do that. But the usage  
8 of any NOL, Your Honor, has been testified to, has been  
9 included in the declarations, and somebody out there I know  
10 wrote a report about it at one point in time that said that it  
11 was actually speculative. And Mr, Zelin went through that on  
12 the stand that the usage of that was extremely speculative.  
13 And the fact that only thirty-one million dollars of  
14 subscription rights were actually exercised makes the usage of  
15 any NOL even more suspect because there isn't enough money to  
16 generate the kind of income that would utilize any NOL of that  
17 sort.

18 Lastly, Your Honor, for my comments, Mr. Jarvis made  
19 some statements and we don't believe that they have anything to  
20 do with what we're here today to talk about. He indicated that  
21 we will be back here next week. We have the proceeding with  
22 respect to his client's claims. We believe that, as he has  
23 represented so many times, he is here just to misrepresent or  
24 represent people who claim they have been misrepresented. So  
25 we will deal with that, Your Honor. We believe that is a Class

# Attachment I

From /PMC 10 Q 09/30/2010

*Washington Mutual Litigations.* Subsequent to JPMorgan Chase's acquisition from the Federal Deposit Insurance Corporation ("FDIC") of substantially all of the assets and certain specified liabilities of Washington Mutual Bank, Henderson Nevada ("Washington Mutual Bank"), in September 2008, Washington Mutual Bank's parent holding company, Washington Mutual, Inc. ("WMI") and its wholly-owned subsidiary, WMI Investment Corp. (together, the "Debtors"), both commenced voluntary cases under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Case"). In the Bankruptcy Case, the Debtors have asserted rights and interests in certain assets. The assets in dispute include principally the following: (a) approximately \$4 billion in trust securities contributed by WMI to Washington Mutual Bank (the "Trust Securities"); (b) the right to tax refunds arising from overpayments attributable to operations of Washington Mutual Bank and its subsidiaries; (c) ownership of and other rights in approximately \$4 billion that WMI contends are deposit accounts at Washington Mutual Bank and one of its subsidiaries; and (d) ownership of and rights in various other contracts and other assets (collectively, the "Disputed Assets").

JPMorgan Chase commenced an adversary proceeding in the Bankruptcy Case against the Debtors and (for interpleader purposes only) the FDIC seeking a declaratory judgment and other relief determining JPMorgan Chase's legal title to and beneficial interest in the Disputed Assets. The Debtors commenced a separate adversary proceeding in the Bankruptcy Case against JPMorgan Chase, seeking turnover of the \$4 billion in purported deposit funds and recovery for alleged unjust enrichment for failure to turn over the funds. The Debtors have moved for summary judgment in the turnover proceeding.

In both JPMorgan Chase's adversary proceeding and the Debtors' turnover proceeding, JPMorgan Chase and the FDIC argued that the Bankruptcy Court lacks jurisdiction to adjudicate certain claims. JPMorgan Chase moved to have the adversary proceedings transferred to United States District Court for the District of Columbia and to withdraw jurisdiction from the Bankruptcy Court to the District Court. That motion is fully briefed. In addition, JPMorgan Chase and the FDIC have pending with the United States District Court for the District of Delaware an appeal of the Bankruptcy Court's rulings rejecting the jurisdictional arguments, and that appeal is fully briefed. JPMorgan Chase is

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also appealing a separate Bankruptcy Court decision that held, in part, that the Bankruptcy Court could proceed with certain matters while the first appeal is pending.

The Debtors submitted claims substantially similar to those submitted in the Bankruptcy Court in the FDIC receivership for, among other things, ownership of certain of the Disputed Assets, as well as claims challenging the terms of the agreement pursuant to which substantially all of the assets of Washington Mutual Bank were sold by the FDIC to JPMorgan Chase. The FDIC, as receiver, disallowed the Debtors' claims and the Debtors filed an action against the FDIC in the United States District Court for the District of Columbia challenging the FDIC's disallowance of the Debtors' claims, claiming ownership of the Disputed Assets, and seeking money damages from the FDIC. JPMorgan Chase has intervened in the action. In January 2010, the District Court stayed the action pending developments in the Bankruptcy Case. In connection with the stay, the District Court denied WMI's and the FDIC's motions to dismiss without prejudice.

In addition, JPMorgan Chase has been sued in an action originally filed in the 122nd State District Court of Galveston County, Texas (the "Texas Action") by certain holders of WMI common stock and debt of WMI and Washington Mutual Bank who seek unspecified damages alleging that JPMorgan Chase acquired substantially all of the assets of Washington Mutual Bank from the FDIC at an allegedly too low price. The FDIC intervened in the Texas Action and, upon motion by the FDIC and JPMorgan Chase, the District Court transferred the Texas Action to the United States District Court for the District of Columbia. Plaintiffs moved to have the FDIC dismissed as a party and to remand the action to the state court or, in the alternative, dismissed for lack of subject matter jurisdiction. JPMorgan Chase and the FDIC moved to have the entire action dismissed. On April 13, 2010, the United States District Court for the District of Columbia granted JPMorgan Chase's motion to dismiss the complaint, granted the FDIC's parallel motion to dismiss the complaint and denied plaintiffs' motion to dismiss the FDIC as a party and to remand the case to Texas state court. On July 19, 2010, the Court denied plaintiffs' motion to reconsider its prior ruling, to vacate the judgment in the Texas Action and to permit them to file an amended complaint. On July 20, 2010, the plaintiffs in the Texas Action appealed these decisions to the United States Court of Appeals for the District of Columbia.

Other proceedings related to Washington Mutual's failure also pending before the United States District Court for the District of Columbia include a lawsuit brought by Deutsche Bank National Trust Company, initially against the FDIC, asserting an estimated \$6 billion to \$10 billion in damages based upon alleged breach of various mortgage securitization agreements and alleged violation of certain representations and warranties given by certain WMI subsidiaries in connection with those securitization agreements. Deutsche Bank filed an amended complaint on August 30, 2010, adding JPMorgan Chase Bank, N.A. as a party. The amended complaint includes assertions that JPMorgan Chase may have assumed liabilities relating to the mortgage securitization agreements. A response to the complaint is due on November 22, 2010.

On May 19, 2010, WMI, JPMorgan Chase and the FDIC announced a global settlement agreement among themselves and significant creditor groups (the "Global Settlement Agreement"). The Global Settlement Agreement is incorporated into WMI's proposed Chapter 11 plan ("the Plan") that has been submitted to the Bankruptcy Court. If approved by the Bankruptcy Court, the Global Settlement would resolve numerous disputes among WMI, JPMorgan Chase, the FDIC in its capacity as receiver for Washington Mutual Bank and the FDIC in its corporate capacity, as well as those of significant creditor groups, including disputes relating to the Disputed Assets. While the Plan confirmation process is ongoing, the appeals and proceedings before the United States District Courts for the Districts of Delaware and the District of Columbia are stayed.

Other proceedings related to Washington Mutual's failure are also pending before the Bankruptcy Court. On May 4, 2010, certain WMI creditors who have not agreed to the Global Settlement Agreement filed a motion to convert the Debtors' cases to a Chapter 7 liquidation or, in the alternative, for an order to appoint a trustee to administer the Debtors' estates. Also, on July 6, 2010, certain holders of the Trust Securities commenced an adversary proceeding in the Bankruptcy Court against JPMorgan Chase, WMI, and other entities seeking, among other relief, a declaratory judgment that WMI and JPMorgan Chase do not have any right, title or interest in the Trust Securities.

In a July 20, 2010 hearing in the Bankruptcy Case, the Bankruptcy Court appointed an examiner to investigate, among other things, the claims and assets that may be property of the Debtors' estates that are proposed to be conveyed, released or otherwise compromised and settled under the Plan and Global Settlement Agreement. The examiner submitted a preliminary report for the Bankruptcy Court on September 7, 2010, and submitted a final report on November 1, 2010. The Bankruptcy Court is scheduled to consider confirmation of the Plan, including the Global Settlement Agreement, beginning on December 1, 2010.